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ANNUAL REPORT FY25

ASX : STG
STRAKER

straker 



About Straker

As an AI language tech pioneer, Straker is well-positioned to be a leading player as AI continues to disrupt the language industry. As a Top 100 Language Service Provider with unique technology and a global services reach, Straker is capable of delivering an AI-enhanced human-in-the-loop platform at scale to meet the changing needs of the market.



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HIGHLIGHTS

Straker achieved record EBITDA profitability and continued to improve its financial strength, despite a challenging revenue environment. Focused execution on cost management and a strategic shift towards high-margin, AI-driven services saw Gross Margins rise to a record 67%. Adjusted EBITDA reached \$4.8 million – the highest in the company’s history – marking the fourth consecutive year of profitability. Our robust free cash flow and closing cash balance of \$12.9 million, with no debt, reinforce our capacity to invest in growth opportunities, including the rollout of new AI subscription offerings such as SwiftBridge AI and strategic partnerships like Foxit.

\$4.8m

Record Adjusted EBITDA of \$4.8M, up 5.6% from FY24

\$1.2m

Free cash flow, generated in a cautious market

\$12.9m

Strong cash position, up from \$12.2M in FY24

\$44.9m

Revenue of \$44.9M, at the top end of guidance

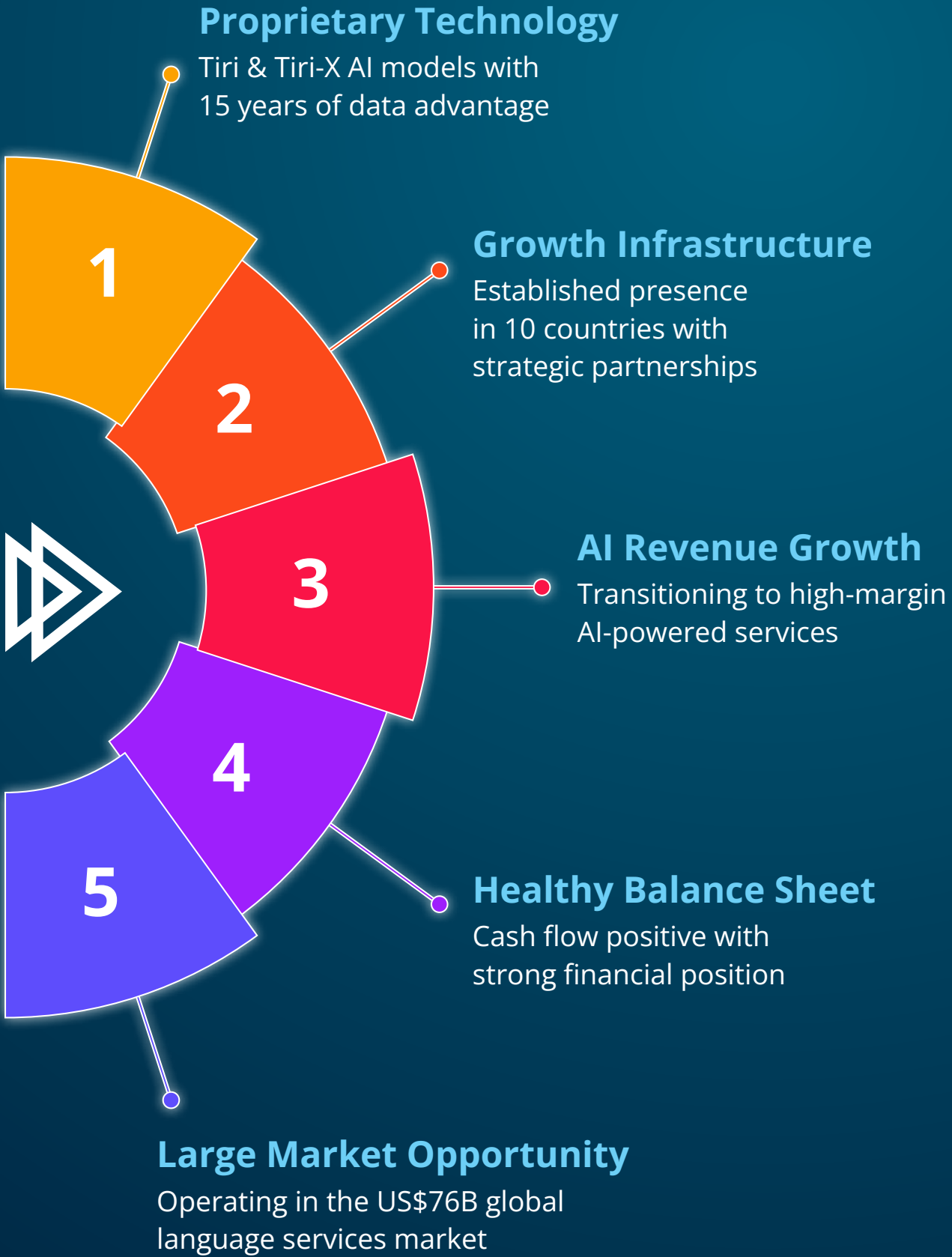
67.0%

Record Gross Margin, improvement above 300 basis points year-on-year



Investment Highlights

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STRAKER 2025 CHAIR AND CEO'S REVIEW



| **Linda Jenkinson**
Chair



| **Grant Straker**
Chief Executive Officer

Dear Fellow Shareholder

In FY25, your Company delivered another solid operational performance. While market hesitation persisted due to several external factors affecting revenue, Straker achieved record EBITDA profitability, driven by exceptional gross margins and strong productivity. We enter FY26 well-capitalised, supported by strategic partnerships and a growing portfolio of AI-driven products that will support our ongoing transition to a higher-margin, predominantly SaaS plus AI token revenue model.

Industry Dynamics

Since our founding in 1999, Straker's mission has been to combine human insight with intelligent technology to maximise productivity for our clients. Today, we operate in more than 100 languages through offices in 10 countries, serving thousands of customers. This has provided a strong foundation for navigating a dynamic translation and localisation industry, which has recently been impacted by geopolitical uncertainty, inflation, and evolving customer sentiment around generative AI.

Despite these headwinds, the industry remains large and is forecast to reach approximately US\$76 billion in 2025. Market demand is increasingly focused on leveraging AI to reduce costs and improve efficiency, without compromising human-level accuracy—Straker's core strength.

While traditional “legacy” translation services are declining, we’ve been proactively preparing for this shift. Encouragingly, market trends are converging with our strategic direction. Customers are now actively seeking AI-enabled solutions—an approach embedded in our product development for some time. Companies without internal technology capabilities or significant R&D investment will face mounting challenges. In contrast, Straker brings 15 years of technology development experience and continues to invest meaningfully in R&D—an advantage our smaller, less scalable competitors cannot replicate.

A key trend is the integration of translation services directly into platform providers’ ecosystems. Straker is ahead of the curve here, having already partnered with platforms like Slack and Microsoft Teams. More such partnerships are in the pipeline.

As we look to FY26 and beyond, Straker is well-positioned to deliver on its strategic vision: using our proprietary language models to develop AI-led products and reduce reliance on traditional language services. While this revenue transformation is a multi-year journey, much of the groundwork has already been laid. Key strengths that position us for success include:

- **Proprietary Technology** – Tiri AI models built on 15 years of data
- **Infrastructure for Growth** – Established presence in 10 countries
- **Strategic Partnerships** – Integrated into global platforms like Slack and Microsoft Teams
- **Margin Expansion** – Shifting toward high-margin AI-powered services
- **Strong Balance Sheet** – Consistently cash-generative and debt-free
- **Large Market Opportunity** – Competing in a US\$76 billion global market

FY25 Financial Results

As in FY24, industry-wide uncertainties affected top-line growth, with FY25 revenue declining to \$44.9 million. However, this was at the upper end of the guidance provided in November 2024.

Revenue was further impacted by an expected decline in “legacy” Language Services, particularly in EMEA, due to a weaker performance from the IDEST business. North America also saw a decline. However, our global presence provided diversification benefits. Notably, APAC grew over 20%, driven by stable Language Services and exceptional growth in Managed Services and Subscriptions.

Our strategic focus remains on transitioning away from legacy revenue toward higher-margin, recurring, AI-driven solutions such as Verify and, more recently, SwiftBridge. While Language Services revenue fell 24%, this was offset by modest gains in Subscription revenue and exceptional performance in Managed Services, which more than doubled year-over-year (though we do not expect this growth rate to persist).

Legacy Language Services now account for 68% of total revenue, down from 81% in FY24. This trend is expected to continue, though the pace is difficult to forecast precisely. Our goal remains to build a revenue base dominated by subscriptions in the coming years.

We not only sustained the profitability improvements of FY24 but also advanced them. Our gross margin rose more than 300 basis points to a record 67%, resulting in gross profit of \$30 million—just 6% below the prior year despite the revenue decline.

These margin gains were driven by technology enhancements, scale benefits from past acquisitions, and rapid growth in the high-margin Managed Services segment. Our shift to subscription-based revenue will further support margin expansion.

Disciplined cost management was again a strong contributor to our financial performance. Operating expenses in Production and Sales were materially reduced, with notable efficiency improvements in the Production team—where headcount has declined by over 50% in two years.

The result: Adjusted EBITDA of \$4.8 million, up 5.6% year-over-year—a record result and our fourth consecutive year of positive Adjusted EBITDA. This reflects the transformation of Straker from a business that once earned \$1–\$1.5 million in EBITDA on revenues exceeding \$50 million.

As we noted last year, the true impact of our cost reductions remains partially masked by softer revenues. As top-line growth resumes, we expect to see a stronger reflection of these structural improvements in our financial performance.

Our financial health remains a hallmark of our business. We closed FY25 with \$12.9 million in cash—up approximately \$1 million from the half year and year-over-year. This was achieved through positive operating cash flow and another year of free cash flow generation. Our debt-free balance sheet and growing net cash position (equivalent to \$0.20 per share) position us well to act on future opportunities.

Board Changes

Earlier in the year, Heith McKay-Cruise retired as Chair after nearly two years of valuable service. While we thanked Heith at last year's AGM, we would like to formally recognise his leadership and contribution to the Company once again.

In May 2025, James Johnstone stepped down as a Non-Executive Director. We thank James for his thoughtful guidance and valuable contributions throughout a key phase in Straker's evolution. We were also pleased to welcome Helen Foley to the Board. As CFO of Bailador Technology Investments, a major shareholder in Straker, Helen brings deep expertise in technology investment and governance that will further strengthen our Board.

In Closing

On behalf of the Board, we would like to thank every Straker team member around the world for their commitment and innovation in delivering world-class translation and localisation services to over 10,000 customers. FY25 has been another year of progress, thanks to your efforts.

We also thank you—our shareholders—for your continued support and look forward to updating you on our progress at the AGM in August.

Warm regards,



Linda Jenkinson
Chair



Grant Straker
Chief Executive Officer

AI INNOVATION

Tiri: Outperforming Large Language Models in Specific Applications

Development of Tiri

Straker's proprietary small language model engineered for specific language pairs and vertical domains.

Superior Performance

Better accuracy and efficiency compared to general-purpose large language models in targeted contexts.

Language-Specific Use Cases

Excels in specialized translations like Japanese to English financial documents.

Efficiency and Cost-Effectiveness

Smaller, focused model offers advantages in computational resources and speed.



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VERIFY AI: Revolutionising Translation Efficiency

AI Translation

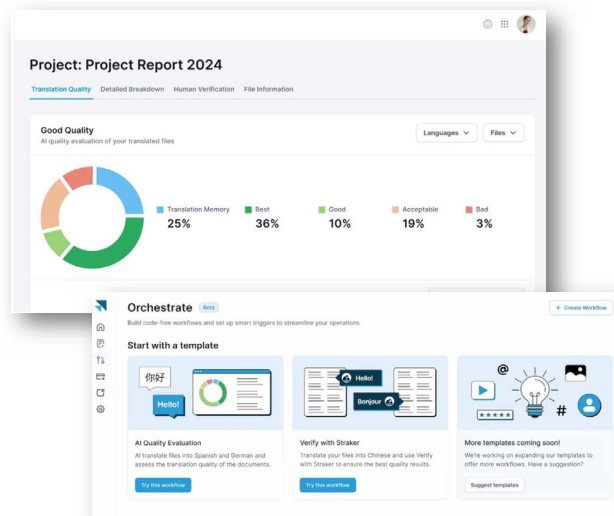
- Tiri AI-powered translation
- Post AI Quality Estimation

Human Verification

- Translators focus on verification only

Business Impact

- Higher margins, faster turnaround, lower cost for customers



SwiftBridge AI: Solving the complex problem of translating Japanese financial data using custom AI models



Tokyo Stock Exchange mandatory English translation disclosure rules impacting over 1,600 listed entities



Built in partnership with IBM



Major technology distribution partner (Iguazu) signed with a 60 strong sales team active

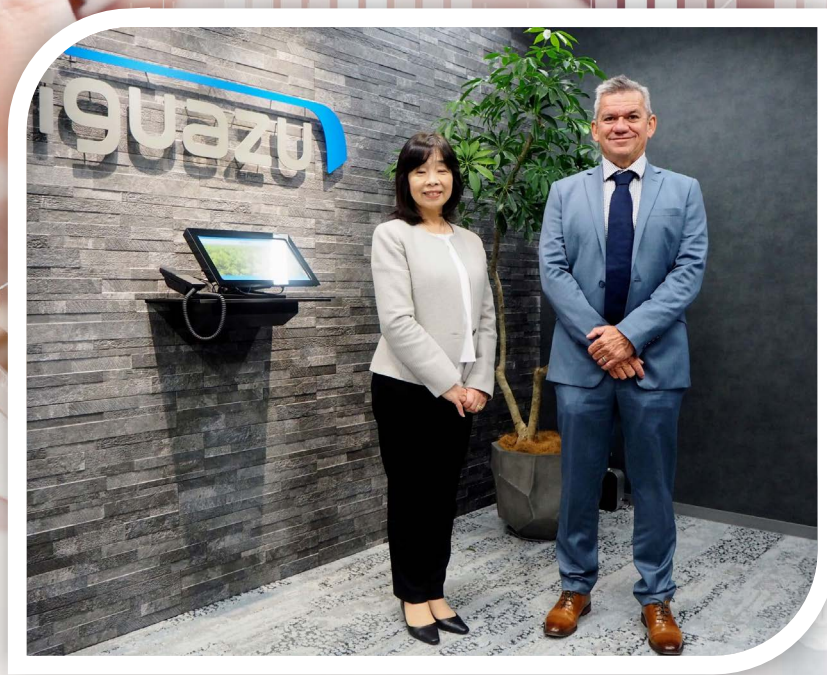
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BUSINESS / MARKETS

Japanese companies rush to up English-language disclosures in 2025



Japanese companies are scrambling to improve English-language disclosures ahead of a requirement for many of them to publish financials more accessible to international investors.



Ecosystem Integration

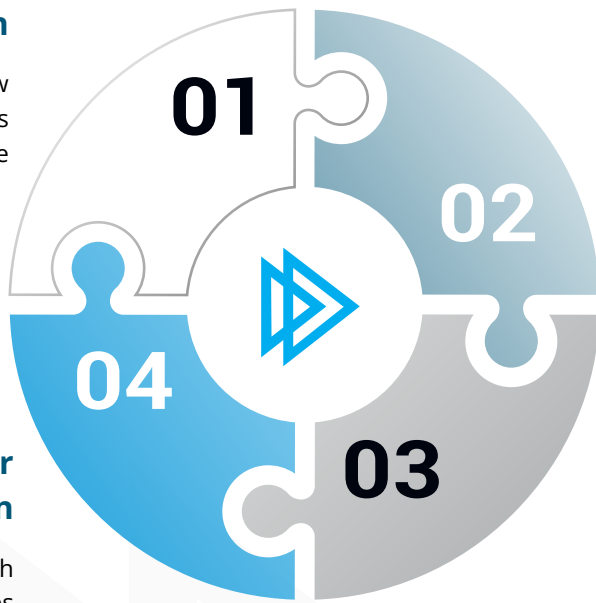
As hundreds of platforms integrate AI translation as a premium service, a verification opportunity emerges.

Platform Integration

Hundreds of platforms now offering LLM translation as a premium service

VERIFY AI Layer

Our solution serves as the next-tier premium verification service



Customer Expansion

Reach new markets through integration partnerships

New GTM Channels

Scalable ecosystem model creates recurring revenue streams

Each integration creates a potential revenue stream while expanding our market reach without proportional customer acquisition costs.

MANAGEMENT COMMENTARY

Straker is listed on the Australian Securities Exchange (ASX) and is a New Zealand incorporated and domiciled company. This means that while the ASX Listing Rules apply to Straker, certain provisions of the Australian Corporations Act 2001 (Cth) do not.

As a New Zealand company, Straker's annual report is primarily governed by the Companies Act 1993 (New Zealand). The Remuneration Report is not intended to fully replicate the statutory disclosure requirements of an Australian company's remuneration report, as these requirements do not apply to Straker. However, the information provided goes beyond New Zealand requirements to provide greater transparency and insight into our remuneration practices.

This report covers the activities of the Straker group's global operations. Except where otherwise specified, statements should be read as pertaining to the activities of Straker Limited and its subsidiaries (Straker or Straker Group).

The following commentary should be read in conjunction with the consolidated financial statements and the related notes in this report. Some parts in this commentary include forward-looking statements and information on strategy and plans for the business that involve risks and uncertainties.

Actual events and the timing of events may vary.

All amounts are presented in New Zealand dollars unless otherwise stated.

Straker is a New Zealand incorporated company and has a 31 March year-end balance date.

References to FY24 and FY25 refer to the 12 months ended 31 March in the respective years.

The obligation to prepare a Directors' Report in section 298 of the Australian Corporations Act 2001 (CA) does not apply to Straker as a New Zealand company. However, the ASX Listing Rules include a separate requirement (ASX LR 4.10.17) requiring all listed entities to include an operational and financial review statement in their Annual Reports which is equivalent to the general information requirements set out in s299 and 299A of the CA. This Management Commentary section is intended to meet this requirement.

Non-IFRS measures

To ensure that the presentation of results fully reflect the underlying performance of the business, Straker Group publishes its key metrics on a non-IFRS basis as well as on an IFRS basis. For transparency purposes, Straker also publishes full reconciliations between IFRS and non-IFRS measures. IFRS refers to New Zealand International Financial Reporting Standards.

Non-operating costs include costs of restructuring activities, acquisition and integration costs, and other non-recurring consulting costs. The non-IFRS measures have not been independently audited or reviewed.

Operating revenues

Types of services	2025	2024	Change
	\$'000	\$'000	%
Language services	30,458	40,301	-24.4%
Subscriptions	5,520	5,482	0.7%
Managed services	8,885	4,231	110.0%
	44,863	50,014	-10.3%

Total **revenue** for the 2025 financial year was \$44.9 million, representing a 10.3% decrease from the prior year's \$50.0 million. This decline was driven by a reduction in **Language Services** revenue, which decreased by 24.4% year-on-year. The decrease reflects continued subdued market conditions, particularly in Europe, and the impact of our strategic repositioning to focus on higher-margin, AI-led opportunities.

Our **Subscriptions** segment generated revenue of \$5.5 million, maintaining the same level as the prior year despite broader market pressures. This stability underscores the resilience of our SaaS offerings and the continued traction of our AI applications platform, which remains a key area of focus for long-term growth.

The **Managed Services** segment, which includes translation project management and infrastructure solutions, contributed \$8.9 million to revenue, more than doubling the prior year's result. This increase reflects the full-year contribution of a key managed services contract secured in the previous period. While this segment has delivered strong growth in FY25, we anticipate revenue from Managed Services will moderate in FY26 as certain large projects conclude and customer demand normalises.

Revenue by region	2025	2024	Change
	\$'000	\$'000	%
APAC	25,032	20,519	22.0%
EMEA	7,885	14,517	-45.7%
NAM	11,946	14,978	-20.2%
	44,863	50,014	-10.3%

The financial constraints from persistent global economic uncertainty and delayed purchasing decisions, influenced in part by the advent of AI, continued to affect customer demand across all regions in FY25.

In the **Asia-Pacific (APAC)** region, revenue increased by 22% to \$25.0 million. This growth was driven by the full-year contribution of our managed services contract and steady demand from key enterprise customers. While the broader market remained cautious, our diverse customer base and growth in AI-supported solutions helped to offset some of the pressures observed in other regions.

The **Europe (EMEA)** region saw revenue decline by 45.7% to \$7.9 million. The decline reflects continued macroeconomic challenges, particularly in Europe, and the non-renewal of two large institutional contracts. In addition, reduced demand from certain media and enterprise customers contributed to the decrease. This region accounted for the largest portion of the Group's revenue contraction.

In **North America (NAM)**, revenue decreased by 20.2% to \$11.9 million. Several large customers curtailed spending in response to ongoing economic pressures and budget tightening. While technology-led solutions provided some resilience, overall demand remained subdued compared to the previous year.

Gross margin	2025	2024	Change
	\$'000	\$'000	%
Gross margin (%)	67.0%	63.8%	3.2%

In FY25, our **gross margin** continued its positive trajectory, increasing to 67.0% compared to 63.8% in the prior year. This improvement was achieved despite revenue headwinds and reflects the continued success of our strategy to optimise profitability.

The increase was driven by multiple factors. We prioritised higher-margin projects and further enhanced production efficiency through increased automation and ongoing workflow optimisation. Our focus on right-sizing the production workforce and leveraging AI-driven technologies also contributed to lower production costs relative to revenue.

Additionally, the full-year contribution from managed services—where gross margins typically exceed those of traditional language services—supported the overall margin uplift. While we anticipate some moderation in managed services activity in FY26, the operational efficiencies and improved revenue mix established in FY25 provide a strong foundation for sustaining healthy margins going forward.

Statutory results

	2025	2024	Change
	\$'000	\$'000	%
Revenue	44,863	50,014	-10%
Gross profit	30,044	31,921	-6%
<i>Gross margin %</i>	67.0%	63.8%	5%
Other income	182	355	-49%
Depreciation, amortisation, and impairment of non-financial assets	(16,204)	(9,599)	-69%
Operating expenses excluding D&A and impairment of non-financial assets	(25,663)	(28,022)	8%
Operating expenses	(41,867)	(37,621)	-11%
<i>Percentage of operating revenue</i>	-93.3%	-75.2%	-24%
Operating loss before net finance expense	(11,641)	(5,345)	-118%
<i>Percentage of operating revenue</i>	-25.9%	-10.7%	-143%
Finance income	1,142	2,874	-60%
Loss before income tax	(10,499)	(2,471)	-325%
<i>Percentage of operating revenue</i>	-23.4%	-4.9%	-374%
Income tax credit/(expense)	341	282	21%
Net loss after tax	(10,158)	(2,189)	-364%

Revenue for the 2025 financial year was \$44.9 million, a 10% decrease from the prior year's \$50.0 million. This decline reflects a combination of factors, including:

- Ongoing macroeconomic pressures in Europe and North America.
- The full-year impact of the non-renewal of two institutional contracts in EMEA.
- The inherent variability of project-based language services work.

Despite the revenue decline, gross profit remained resilient at \$30.0 million, down only 5.9% from the prior year.

Gross margin improved to 67.0%, up from 63.8% in FY24, reflecting a continued focus on higher-margin work, increased automation, and production efficiencies.

Other income decreased to \$182,000 from \$355,000, primarily due to a reduction in government grants received.

Operating expenses excluding depreciation, amortisation, and impairment of non-financial assets decreased by 8% to \$25.7 million. This reduction reflects the continued impact of cost containment measures, including optimised staffing levels and process improvements.

Depreciation, amortisation, and impairment expenses increased by 69% to \$16.2 million. This increase includes the effects of three significant non-recurring factors:

- **Change in amortisation estimate** — The Group revised the estimated useful life of its capitalised software assets from five years to three years, reflecting the faster pace of technological change and the increased risk of obsolescence driven by rapid advancements in artificial intelligence (AI). This change increased amortisation expense by \$2.94 million in FY25 compared to the previous estimate and is expected to increase amortisation expense by approximately \$0.2 million in FY26.
- **Impairment of IDEST assets** — Following the underperformance of IDEST, driven by the non-renewal of two EU institutional contracts and broader uncertainty around translation services delivered via mandated customer platforms, management recognised a full impairment of the \$2.23 million carrying value of IDEST's assets as at 30 September 2024. This comprised \$1.75 million of goodwill and \$0.48 million of other intangible assets.
- **Impairment of NAM goodwill** — An indicator of impairment was identified for the NAM CGU, due to lower revenue than forecast primarily due to the non-renewal of a major contact. Management recognised a full impairment of the carrying value of NAM's assets as at 31 March 2025. This comprised a total write-down of goodwill to nil.

As a result, **total operating expenses** increased to \$41.9 million, compared to \$37.6 million in FY24.

The operating loss before net finance expense widened to \$11.6 million from \$5.3 million in the prior year, reflecting the combined impact of increased non-cash expenses and lower revenue, partially offset by improved gross margins and reduced underlying operating costs.

Net finance income decreased by 60% to \$1.1 million, primarily due to lower unrealised foreign exchange gains compared to FY24.

The **loss before income tax** was \$10.5 million, compared to \$2.5 million in FY24.

An **income tax credit** of \$341,000 was recognised (FY24: \$282,000), primarily reflecting the tax effect of intangible amortisation.

The **net loss after tax** for the year was \$10.2 million, compared to \$2.2 million in FY24. The increased loss was primarily driven by higher non-cash amortisation and impairment charges recorded during the year.

Earnings before interest, tax, depreciation and amortisation

	2025	2024	Change
	\$'000	\$'000	%
Operating loss before net finance income	(11,641)	(5,345)	-118%
Add:			
Depreciation, amortisation, and impairment of non-financial assets	16,204	9,599	69%
EBITDA	4,563	4,254	7%
<i>EBITDA Margin</i>	10.2%	8.5%	20%
Add:			
Acquisition & restructure costs	187	245	-24%
Adjusted EBITDA	4,750	4,499	6%
Adjusted EBITDA margin	10.6%	9.0%	18%

Our **EBITDA** for the 2025 financial year increased to \$4.6 million, up 7% from \$4.3 million in FY24. This growth was achieved despite a 10% decline in revenue and reflects the positive impact of improved gross margins and continued operating efficiencies.

The **EBITDA margin** expanded to 10.2%, up from 8.5% in the prior year. The improvement was driven by our focus on higher-margin work, greater automation, and disciplined cost management, which helped offset revenue pressures.

Adjusted EBITDA, which excludes non-recurring acquisition and restructure costs of \$0.2 million, increased by 6% to \$4.8 million, compared to \$4.5 million in FY24. The Adjusted EBITDA margin also improved, rising to 10.6% from 9.0%, reflecting the underlying strength of our operating model and the continued benefits of our efficiency initiatives.

This solid growth in both EBITDA and Adjusted EBITDA underscores our ability to maintain profitability and generate cash flow while navigating a challenging market environment and continuing to invest in our strategic priorities.

Cash flow

	2025	2024	Change
	\$'000	\$'000	%
Cash flows from operating activities			
Receipts from customers	45,624	52,193	-13%
Other operating cash flows	(42,231)	(47,145)	-10%
Operating cash flow	3,393	5,048	-33%
Capital investment	(2,241)	(2,711)	-17%
Free cash flow	1,152	2,337	-51%
Cash flow from financing activities			
Shares repurchased	-	(2,030)	-100%
Lease liability payments	(687)	(583)	18%
Net financing cash flow	(687)	(2,613)	-74%
Net cash flow	465	(276)	-268%
Effect of exchange rate on foreign currency balances	285	(64)	-545%
Cash and cash equivalents at beginning of the period	12,165	12,505	-3%
Cash and cash equivalents at end of the period	12,915	12,165	6%

Despite a 13% decline in customer receipts to \$45.6 million, reflecting continued revenue pressures and challenging market conditions, our **operating cash flow** remained robust at \$3.4 million, compared to \$5.0 million in the prior year. This result underscores the success of our ongoing cost-control initiatives and effective working capital management, particularly through improved cash collections and reduced trade receivables.

We generated positive **free cash flow** of \$1.2 million, a decrease from \$2.3 million in FY24. The reduction reflects both the lower operating cash flow and continued capital investment, which declined to \$2.2 million from \$2.7 million in the previous year. The lower level of capital expenditure was primarily due to reduced capitalised development, driven by product lifecycle maturity.

Financing cash flows were lower year-on-year and consisted solely of \$0.7 million in lease liability payments. No share buyback was undertaken in FY25, compared to \$2.0 million of repurchases in the prior year.

Our disciplined cash management resulted in a **net cash inflow** of \$0.5 million for the year, further strengthening our financial position despite a challenging market backdrop.

We closed the year with a strong cash balance of \$12.9 million and no debt, providing Straker with considerable flexibility to execute its growth strategy, including continued investment in AI-driven translation solutions and potential strategic opportunities.

BOARD OF DIRECTORS



Linda Jenkinson
Chair

Linda was appointed the Non-Executive Chair of Straker on 1 July 2024.

Linda has extensive experience as both a CEO and a board director for public and private companies. Notably, she is the third woman ever to list a company on the NASDAQ. Her board experience includes directorships at Air New Zealand and The Eclix Group, alongside Chair positions at DMS Corp, Medadvisor, and Jaxsta.

She has established five companies across diverse sectors like technology, logistics, e-commerce, customer experience, and sustainability, with operations spanning over 80 countries and employing thousands. Her entrepreneurial success has been recognised in case studies by both Harvard and Stanford Business Schools.

Linda holds a MBA from The Wharton School, University of Pennsylvania and a Bachelor of Business Studies, Massey University. She is a qualified Chartered Accountant.



Grant Straker
Chief Executive Officer

Grant (Ngāti Raukawa) was appointed to the board on 21 December 1999.

Prior to founding Straker in 1999, Grant served in the British Army as an elite paratrooper.

As a co-founder of Straker, Grant has extensive experience in the language translation market.

Grant's wide-ranging technical, sales and business skills, combined with his strong entrepreneurial drive, have placed him in an ideal position to help accelerate the growth of Straker.

Grant is a member of the NZ Institute of Directors.

Along with Merryn Straker, Grant was the winner of the 2018 master category for NZ Entrepreneur of the Year.



Amanda Cribb
Independent Non-Executive Director

Amanda (Ngāti Tūwharetoa, Ngāpuhi, Ngāti Kauwhata, and Ngāti Hauti) was appointed as a Non-Executive Director of Straker on 20 July 2020.

With over 18 years of executive leadership roles in technology companies, Amanda has been instrumental in steering companies through early-stage growth and fostering long-term sustainability.

Prior to her directorship, Amanda held various Chief Financial Officer positions including 10 years at Zag (now part of Accenture) and 5 years at Datacom. Amanda brings a deep understanding of the industry and a track record of success in driving growth and transformation. In addition to her directorship, Amanda also serves as a Director of the Garage Project, and holds an executive position in a cybersecurity company.

Amanda holds an MBA from the Henley Business School in the UK and she is a full member of Chartered Accountants Australia & New Zealand



Steven Bayliss
Independent Non-Executive
Director

Steven was appointed a Non-Executive Director of Straker on 24 August 2022. Steven is one of New Zealand's most experienced and awarded marketing professionals. Steven's career started with international brewer Lion Nathan which culminated in an Australian based role developing and teaching marketing best practice across New Zealand, Australia, and China.

After a period based in the USA in the FMCG sector, Steven returned to New Zealand to take up the role of GM Marketing and Innovation at Air New Zealand in 2004.

Steven then moved to Foodstuffs New Zealand in 2011, setting up a central function serving the two cooperatives across marketing, public relations, customer experience, CRM, Advanced Data and Analytics, and Acquiring functions. Steven also served as Chief Creative Officer at Sky Television, helping reinvent the business, moving from a linear broadcaster to a data-rich, modern digital business.

Steven is a published business author, professional director, and consultant.

He holds a Bachelor of Commerce from Otago University.

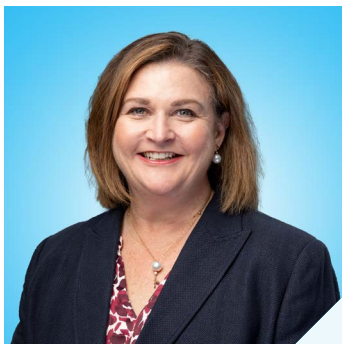


Stephen Donovan
Non-Executive Director

Stephen was appointed a Non-Executive Director of Straker on 1 December 2004. He is a former partner of Ernst & Young. He qualified as a Chartered Accountant in the UK and has operated within the IT and finance industry in New Zealand for a number of years.

Stephen has significant experience as a director and investor in the SME sector in New Zealand, including a Finance Director role at accounting software provider, Greentree Software Group, which was sold to MYOB in 2016. Other current directorships include New Zealand Pure Dairy Products Limited (infant formula manufacturer).

Stephen is Straker's former Chief Financial Officer and has been working with technology companies across a range of industries. Stephen holds a Bachelor of Economics from the University of Lancaster and is a qualified Chartered Accountant and a current member of the Institute of Chartered Accountants in England and Wales.



Helen Foley
Non-Executive Director

Helen was appointed a Non-Executive Director of Straker on 1 May 2025.

Helen has over 30 years of experience in finance, corporate development and governance holding senior roles at Bailador, Inchcape Motors Australia, Tubemakers of Australia and BRW Fast 100 winner and technology company, LX Group. In addition, Helen has consulted on best practice finance systems across a range of companies and public sector organisations.

Helen is the Chief Financial Officer of Bailador and Board Observer and ARC member for Bailador investee company DASH.

Helen holds a Bachelor of Commerce in Accounting and a Masters in Politics and Public Policy. She is a Fellow of CPA Australia (FCPA), a Graduate of the Australian Institute of Company Directors (GAICD) and a Justice of the Peace in NSW.

MANAGEMENT TEAM



Grant Straker
Chief Executive Officer

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Grant's wide-ranging technical, sales and business skills, combined with his strong entrepreneurial drive, have placed him in an ideal position to help accelerate the growth of Straker. Grant is a member of the NZ Institute of Directors. Along with Merryn Straker, Grant was the winner of the 2018 master category for NZ Entrepreneur of the Year.



Merryn Straker
Chief Operating Officer

As Chief Operating Officer, Merryn is responsible for driving operational excellence and leading strategic initiatives across the global business. She brings a wealth of experience in scaling operations and delivering innovation across complex environments. Merryn holds a Bachelor of Management Studies from Waikato University.



David Ingram
Chief Financial Officer

David serves as both Chief Financial Officer and Company Secretary. In these roles, he is responsible for Straker's financial management, corporate finance, treasury, audit, and investor relations functions, as well as overseeing compliance with corporate governance policies, disclosure obligations, and Board procedures. David brings more than 25 years of experience in financial leadership and corporate strategy, having previously held CFO roles at Ultra Commerce, Gentrack, and Zeacom.



David Sowerby
Chief Revenue Officer

David has more than ten years' experience in the Internet and tech industry. He was founder of Sportsys Pty Ltd a company that provided sports statistics and online services. His background in statistics and data analysis and his strong entrepreneurial drive helps accelerate the growth of several early-stage ventures. He has proven experience in building businesses and has been directly responsible for growing several companies from start-up phase and growing start-up units within larger organisations. David has an Bachelors Degree in Science from the University of Queensland, a Graduate Diploma in Management from Central Queensland University and a Masters of Business Administration from Trinity College Dublin.



Kim Andrews
Chief People Officer

Kim works alongside the leadership team to provide operational support to improve the performance, production, and efficiency of the business. Her primary responsibilities include managing every aspect of human resources and administering best practice, plus overseeing day-to-day office operations, the coordination and supervision of policies and procedures, and employee engagement. Prior to joining Straker, Kim was in the Telco industry for 16 years and has a strong background in Leadership, HR and Credit Management.



Indiver Nagpal
Chief Innovation Officer

Indy has been working in web application development for more than 17 years at various companies in the US, Canada, Australia, India and New Zealand. Over the years, Indy has been involved in different aspects of software development from programming to project management, content development, training and consulting. As the CIO of Straker, Indy is responsible for setting the technical direction of the company across its multilingual translation product sets.



Tamas Szoke
Chief Production Officer

Tamas joined the Straker in 2016 following Straker's acquisition of Eurotext. He has extensive experience in the field of localisation production having worked as a project manager for more than 10 years, before taking over the management of the European and then later the Global Production teams in Straker. He studied English Linguistics and Literature and also holds a Bachelors Degree in International Business.

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STRAKER LIMITED CONSOLIDATED FINANCIAL STATEMENTS

**Financial Report
For the year ended 31 March 2025**

STRAKER LIMITED

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STRAKER LIMITED CONSOLIDATED FINANCIAL STATEMENTS

Directors' responsibility statement For the year ended 31 March 2025

The Directors are pleased to present the consolidated financial statements of Straker Limited for the year ended 31 March 2025.

The Directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of the Straker Limited Group as at 31 March 2025 and the results of their operations and cash flows for the year ended 31 March 2025.

The Directors consider that the consolidated financial statements of the Group have been prepared using accounting policies appropriate to the Group's circumstances, consistently applied, and supported by reasonable and prudent judgements and estimates and that all applicable New Zealand equivalents to International Financial Reporting Standards have been followed.

The Directors have responsibility for ensuring that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and enables them to ensure that the financial statements comply with the Financial Reporting Act 2013.

The Directors are also responsible for the preparation of the consolidated entity disclosure statement. In the Directors' opinion, the consolidated entity disclosure statement for the year ended 31 March 2025, is true and correct.

The Directors have responsibility for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that adequate steps have been taken to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Board authorised these financial statements for issue on 27 May 2025.

For and on behalf of the Board.



Linda Jenkinson
Chair



Grant Straker
Chief Executive Officer

Independent auditor's report to the shareholders of Straker Limited

Opinion

We have audited the consolidated financial statements of Straker Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes to equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and IFRS[®] Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out other assignments for the Group in the area of tax compliance and tax advisory services. The firm has no other relationship with, or interests in, the Company or any of its subsidiaries.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill and other intangible assets

Key Audit Matter

The Group has recognised goodwill (\$6.7 million) on historical acquisitions, as well as capitalised software development cost (\$3.4 million). The goodwill and other intangible assets are subject to an annual impairment test in accordance with NZ IAS 36 – *Impairment of Assets*.

Management has performed their impairment test, by considering the recoverable amount of the Cash Generating Unit ('CGU') (to which the intangible assets are allocated) using a value in use calculation.

The value in use calculations are complex and subject to key inputs and assumptions such as discount rates and future cash flows, which inherently include a degree of estimation uncertainty and are prone to potential bias and inconsistent application and therefore considered to be a key audit matter.

In the current year, the Group has recognised an impairment loss of \$4.6 million in relation to the NAM CGU, consisting of \$4.6 million of goodwill.

In the current year, the Group has also recognised an impairment loss of \$2.2 million in relation to the IDEST CGU, consisting of \$1.7 million of goodwill and \$0.5 million of other intangible assets.

Disclosures around impairment, including key assumptions used and sensitivity of the assessment to critical judgemental inputs, are included in Note 2 (c) (i) Goodwill and Note 13 (Intangible assets) of the consolidated financial statements.

How The Matter Was Addressed in Our Audit

- We obtained an understanding of key controls relating to the review and approval of the impairment review.
- We obtained management's value in use calculations prepared for each of the cash generating units and evaluated the key inputs and assumptions. The key inputs included revenue, growth rates, gross margin, costs, allocation of corporate overheads, change in working capital, tax cash outflows, discount rates, and terminal growth rates. We have evaluated and challenged the key inputs and assumptions and considered if these are indicative of management bias.
- We assessed the accuracy of previous forecasts against actual performance in order to form a view on the reliability of management's forecasting ability and to understand key differences between historical results versus forecast performance.
- We have considered the sensitivity of the value in use calculations to movements in key inputs and assumptions.
- We tested the mathematical accuracy of the value in use calculations.
- We engaged our internal valuation experts to assess that the methodology used is consistent with NZ IAS 36 *Impairment of Assets*, and to ensure the discount rates and terminal growth rates used fell within an appropriate range.
- We have compared the carrying value of the CGUs' assets to the recoverable amount determined by the impairment test to identify any impairment losses.
- We reviewed the disclosures in Note 13 to the consolidated financial statements, including impairment and sensitivity analysis, to the requirements of the accounting standard.

Capitalisation of software development costs

Key Audit Matter

The Group has capitalised internally developed software costs, valued at \$3.4 million as at 31 March 2025.

The Group capitalises costs incurred in the development of its software when certain criteria are met, as explained in Note 13 (Intangible assets). These costs are then amortised over the estimated useful life of the software.

The Group's process for calculating the cost of internally developed software involves judgement as it includes estimations on time staff spent developing software and determining the cost attributable to that time.

The Group's process for assessing the useful life of the internally developed software involves judgement as it includes estimations around the expected period of economic benefits. During the year ended 31 March 2025, management reassessed the expected period of economic benefit from its capitalised software in light of evolving AI capabilities. As a result, the estimated useful life was revised from five years to three years, resulting in an increase in amortisation expense of \$2.9 million.

We consider this to be a key audit matter because of the judgement involved in determining expenditure able to be capitalised and the quantum of the amount of the amount capitalised.

Disclosures around capitalised software development costs, including key assumptions, are included in Note 2 (c) (ii) Capitalised software development and Note 13 (Intangible assets) of the consolidated financial statements.

How The Matter Was Addressed in Our Audit

- We have obtained management's positioning papers covering the significant software development projects, and how such spend creates or enhances an intangible asset.
- We have obtained management's capitalised development calculations and reconciled the totals to the general ledger.
- From the calculations, we have gained an understanding from finance and non-finance management of the software projects and how the projects create or enhance an intangible asset. We have compared this to the requirements of NZ IAS 38 *Intangible Assets* to determine if they met the recognition criteria.
- From the calculations, we have traced a sample of payroll related expenditure to supporting documentation, including payroll reports, timecard narratives and employee job descriptions.
- From the calculations, we have traced a sample of other direct costs allocated to capitalised development to supporting documentation.
- We have obtained management's positioning paper covering the change in useful life of its capitalised software assets, which has changed from five years to three years. We have reviewed the reasonableness of the estimated useful life adopted by management. We have re-performed the amortisation charged to profit or loss based on the intangible assets' estimated useful economic life and period in use.
- We reviewed the disclosures in Note 13 in relation to the internally development software costs to the requirements of the accounting standard.

Other Information

The directors are responsible for the other information. The other information comprises the Appendix 4E Report and the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS® Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>.

This description forms part of our auditor's report.

Who we Report to

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

The engagement partner on the audit resulting in this independent auditor's report is Mark Nicholson.

BDO AUCKLAND.

BDO Auckland
Auckland
New Zealand
27 May 2025

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2025

		2025	2024
	Notes	\$'000	\$'000
Revenue	4	44,863	50,014
Cost of sales	6	(14,819)	(18,093)
Gross profit		30,044	31,921
<i>Operating expenses</i>			
Selling and distribution		(13,191)	(15,017)
Product design and development		(7,625)	(7,903)
General and administration		(14,233)	(12,024)
Impairment losses	13	(6,818)	(2,677)
Total operating expenses	6	(41,867)	(37,621)
Other income	5	182	355
Loss before net finance income		(11,641)	(5,345)
Finance income	7	1,142	2,874
Loss before income tax		(10,499)	(2,471)
Income tax credit	8	341	282
Loss for the year after tax attributable to shareholders		(10,158)	(2,189)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss, net of tax</i>			
Foreign currency translation differences		344	(265)
Total comprehensive income for the year attributable to shareholders		(9,814)	(2,454)
Earnings per share for the year			
Basic and diluted earnings per share (cents)	9	(15.79)	(3.26)

The above statement should be read in conjunction with the notes to and forming part of the consolidated financial statements.

Consolidated statement of changes to equity for the year ended 31 March 2025

	Notes	Share Capital	Accumulated Losses	Share Option Reserve	Foreign Currency	Total Equity
31 March 2025		\$'000	\$'000	\$'000	\$'000	\$'000
Balance 1 April 2024		66,774	(33,163)	1,337	(1,140)	33,808
Loss for the year		-	(10,158)	-	-	(10,158)
Other comprehensive loss		-	-	-	344	344
Total comprehensive income for the year		-	(10,158)	-	344	(9,814)
<i>Transactions with owners in their capacity as owners</i>						
Share option cost	21	-	-	167	-	167
Balance 31 March 2025		66,774	(43,321)	1,504	(796)	24,161
31 March 2024		\$'000	\$'000	\$'000	\$'000	\$'000
Balance 1 April 2023		68,804	(30,974)	1,103	(875)	38,058
Loss for the year		-	(2,189)	-	-	(2,189)
Other comprehensive loss		-	-	-	(265)	(265)
Total comprehensive income for the year		-	(2,189)	-	(265)	(2,454)
<i>Transactions with owners in their capacity as owners</i>						
Shares repurchased and cancelled	17	(2,030)	-	-	-	(2,030)
Share option cost	21	-	-	234	-	234
Balance 31 March 2024		66,774	(33,163)	1,337	(1,140)	33,808

The above statement should be read in conjunction with the notes to and forming part of the consolidated financial statements.

Consolidated statement of financial position

As at 31 March 2025

		2025	2024
	Notes	\$'000	\$'000
Current assets			
Cash and cash equivalents	10	12,915	12,165
Trade receivables	11	7,371	8,664
Other assets and prepayments	12	2,131	2,307
Total current assets		22,417	23,136
Non-current assets			
Intangible assets	13	10,154	22,504
Plant and equipment		227	245
Right-of-use assets	16	613	1,032
Total non-current assets		10,994	23,781
Total assets		33,411	46,917
Current liabilities			
Trade and other payables	14	4,483	5,889
Contract liability	15	3,434	4,875
Employee benefits liability		606	746
Lease liabilities	16	520	574
Total current liabilities		9,043	12,084
Non-current liabilities			
Lease liabilities	16	207	641
Deferred tax liability	8	-	384
Total non-current liabilities		207	1,025
Total liabilities		9,250	13,109
Net assets		24,161	33,808
Equity			
Share capital	17	66,774	66,774
Foreign currency translation reserve		(796)	(1,140)
Share option reserve	21	1,504	1,337
Accumulated losses		(43,321)	(33,163)
Total equity		24,161	33,808

The above statement should be read in conjunction with the notes to and forming part of the consolidated financial statements.

Consolidated statement of cash flows

for the year ended 31 March 2025

		2025	2024
	Notes	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		45,624	52,193
Government grants and tax incentives		367	558
Interest received		220	279
Payments to suppliers and employees		(42,818)	(47,974)
Interest paid		-	(8)
Net cash from / (used) in operating activities	22	3,393	5,048
Cash flow from investing activities			
Payments for capitalised software development	13	(2,152)	(2,671)
Payments for plant & equipment		(89)	(40)
Net cash used in investing activities		(2,241)	(2,711)
Cash flow from financing activities			
Shares repurchased and cancelled	17	-	(2,030)
Lease liability payments	16	(687)	(583)
Net cash used in financing activities		(687)	(2,613)
Net increase/(decrease) in cash and cash equivalents		465	(276)
Effect of exchange rate on foreign currency balances		285	(64)
Cash and cash equivalents at beginning of the period		12,165	12,505
Cash and cash equivalents at end of the period		12,915	12,165

The above statement should be read in conjunction with the notes to and forming part of the consolidated financial statements.

Notes to & forming part of the financial statements for the year ended 31 March 2025

1. Reporting entity and statutory base

Straker Limited ("the Company" or "parent") is a company domiciled in New Zealand and registered under the New Zealand Companies Act 1993 and is listed on the Australian Securities Exchange (ASX). The audited consolidated financial statements of Straker Limited and its subsidiaries (together, "the Group" or "Straker") have been prepared in accordance with the requirements of New Zealand Companies Act 1993 and the Financial Reporting Act 2013.

For the purposes of complying with New Zealand General Accepted Accounting Practice ("NZ GAAP"), the Group is a Tier 1 for-profit entity.

The principal activity of the Group is the provision of language & subscription services.

2. Basis of preparation

The financial statements comply with NZ GAAP, New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"). The consolidated financial statements also comply with IFRS® Accounting Standards.

The financial statements are presented in New Zealand dollars (NZD), which is also the functional currency of the parent company. Amounts are rounded to the nearest thousand dollars (\$'000) in the financial statements.

The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Company (its subsidiaries). The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

a) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except as noted in the accounting policies.

b) New standards, interpretations and amendments effective from 1 April 2025

There are a number of standards, amendments to standards, and interpretations which have been issued that are effective for the year ended 31 March 2025. These amendments have no effect on the measurement or presentation of any items in the consolidated financial statements of the Group but affect the disclosure of accounting policies of the Group.

The Group has not adopted, and currently does not anticipate adopting, any standards prior to their effective dates including *IFRS 18 Presentation and Disclosure in Financial Statements* that is effective 1 January 2027. The standard has been released, but not effective yet. Adopting IFRS 18 would require a relook at the presentation of the statement of profit or loss, which will include categorising income and expenses and would have an impact on the subtotals used. The extent of the impact is still being assessed by management, which includes the performance measures as to be defined by management.

c) Use of estimates, judgements and assumptions

The preparation of the financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The directors have applied significant judgement in the following financial statements areas.

i) Goodwill (Note 13)

The directors have made significant judgement in considering the assumptions and inputs in the value-in-use calculations used to support the carrying value of goodwill.

ii) Capitalised software development (Note 13)

The Group has capitalised software development costs where they meet the criteria outlined in its accounting policy. Significant judgement is required in assessing whether these criteria are met, particularly regarding the technical feasibility and expected future economic benefits of the software.

The Group reviews the estimated useful lives of intangible assets at the end of each reporting period. Determining the useful life requires estimation of the period over which the asset is expected to contribute to future cash flows.

For capitalised software, the assessment of useful life is subject to significant estimation uncertainty due to the rapid pace of technological change, particularly relating to artificial intelligence (AI). At year-end, management reassessed the expected period of economic benefit from its capitalised software assets in light of evolving AI capabilities. As a result, the estimated useful life was revised from 5 years to 3 years. This change increases future amortisation charges and reduces the carrying amount of capitalised software faster than previously estimated. The financial effect of this change in estimate is disclosed in Note 13.

iii) Revenue (Note 4) and Contract asset (Note 12.1) and Contract liability (Note 15) recognition

Revenue is recognised in accordance with NZ IFRS 15 Revenue from Contracts with Customers. It is measured based on the consideration specified in a contract with a customer and recognised when the Group satisfies a performance obligation (PO) by transferring control of a service. Control is transferred either over time or at a point in time, depending on the nature of the service provided and the terms of the customer contract.

Language Services

- **Translation Services:** Revenue is recognised over time using an input method based on the proportion of words translated relative to the total expected word count. Performance obligations are considered satisfied progressively as translation work is completed. The customer simultaneously receives and consumes the benefits of the translation service as it is performed. The Group has an enforceable right to payment for services completed to date.
- **Interpretation Services:** Revenue is recognised at a point in time, upon completion of the service session. The PO is satisfied when the interpreter has delivered the session and no further service obligation remains.

Contract assets arise when revenue is recognised in advance of invoicing. Contract liabilities arise when payments are received in advance of performance and are recognised as revenue when the relevant PO is satisfied as described above.

Subscriptions

- **Platform Access and Support Services:** Revenue is recognised over time on a straight-line basis across the subscription term, reflecting continuous access and support provided. The PO is satisfied as the customer accesses the platform and receives support over time.
- **Token-Based AI Feature Usage:** Revenue is recognised at a point in time when a token is consumed by the customer. The PO is satisfied at the moment the specific AI-enabled output (e.g., translation verification or content generation) is delivered, which represents the fulfilment of a discrete service obligation.

Advance payments for subscriptions and tokens are recorded as contract liabilities and recognised as revenue as the associated performance obligations are satisfied.

Managed Services

Managed Services revenue includes:

- **Hosting Services (Platform Access & Support):** Revenue is recognised over time on a straight-line basis throughout the service term. POs are satisfied as the customer continuously receives hosted access and support.
- **Professional Services:** Revenue is recognised over time, with performance obligations considered satisfied progressively as services are rendered and the customer benefits from the service delivery. Progress is typically measured using labour hours or milestones depending on contract specifics.

Advance payments are recorded as contract liabilities and recognised as revenue when related POs are satisfied, according to the time-based or progress-based criteria outlined above.

iv) Deferred Tax (Note 8)

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the company recognises tax liabilities based on estimates of whether additional taxes and interest will be due.

These tax liabilities are recognised when, despite the company's belief that its tax return positions are supportable, the company believes it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios. The directors believe that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law.

d) Going concern

The directors have prepared the Consolidated Financial Statements on a going concern basis of accounting, which assumes the Group will be able to continue trading and realise assets and discharge liabilities in the ordinary course of business for a period of at least 12 months from the date of signing these consolidated financial statements.

e) Foreign currency translation

Transactions entered into by Group entities in a currency other than their functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date, with resulting exchange differences generally recognised in profit or loss.

On consolidation, the results of overseas operations are translated into New Zealand dollars at rates approximating those ruling when the transactions took place. Assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in the foreign exchange reserve. Exchange differences on long-term monetary items forming part of the Group's net investment in an overseas operation are reclassified to other comprehensive income on consolidation.

f) Financial instruments

Non-derivative financial assets

The Group classifies its financial assets as measured at amortised cost. This classification applies to assets held within a business model whose objective is to hold financial assets to collect contractual cash flows, where those cash flows represent solely payments of principal and interest.

The Group's financial assets measured at amortised cost comprise trade and sundry receivables and cash and cash equivalents. These are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Non-derivative financial liabilities

Non-derivative financial liabilities comprise trade payables, accruals, translator costs accrual, sundry payables, and lease liabilities.

These are recognised initially at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

g) Impairment of assets

Financial assets - trade receivables

Impairment provisions for current trade receivables are recognised based on the simplified approach within NZ IFRS 9, using a provision matrix to determine lifetime expected credit losses (ECL). For related party receivables, provisions are based on a forward-looking ECL model.

Non-financial assets

Goodwill is tested for impairment annually, or more frequently if indicators exist. Recoverable amount is determined based on value in use calculations, using cash flow projections derived from the most recent financial budgets approved by management and discounted using a pre-tax discount rate reflecting current market assessments of the time value of money and risks specific to the asset. Key assumptions used in the value in use calculations, including discount rates and growth rates, are disclosed in Note 13.

The carrying amounts of the Group's other non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss is recognised in profit or loss if the carrying amount exceeds the recoverable amount.

3. Segment reporting

The Group provides language services and language technology via subscriptions to its customers.

The Group's operating segments are each of the Company and its subsidiaries, and these are grouped as territories by geographical region as reportable segments as there are regional managers responsible for the performance of the Group entities within their territories. The geographical regions are Asia Pacific (APAC), Europe, Middle East and Africa (EMEA) and North America (NAM).

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors, Chief Executive Officer, Chief Operating Officer and the Chief Financial Officer.

Segment financial performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Inter-segment sales are minimal.

The Group's only customer exceeding 10% of revenue contributes \$17.3 million in revenue being 38.6% of the total revenue of the Group.

Reports provided to the chief operating decision maker do not identify assets and liabilities per segment. Assets and liabilities are instead presented on a consolidated basis as they are throughout the consolidated financial statements. Also, the Group's financing (including finance costs and finance income), amortisation of intangible assets, acquisition and integration costs and income taxes are managed on a Group basis and are not provided to the chief operating decision makers at the reportable segment level.

	APAC	EMEA	NAM	TOTAL
<i>Year ended 31 March 2025</i>	\$'000	\$'000	\$'000	\$'000
Income				
Language services	15,081	7,382	7,995	30,458
Subscriptions	1,066	503	3,951	5,520
Managed services	8,885	-	-	8,885
Other income	182	-	-	182
Total income	25,214	7,885	11,946	45,045
Expenses	(32,920)	(7,751)	(16,015)	(56,686)
Segment contribution	(7,706)	134	(4,069)	(11,641)

	APAC	EMEA	NAM	TOTAL
<i>Year ended 31 March 2024 (restated)</i>	\$'000	\$'000	\$'000	\$'000
Income				
Language services	16,283	14,268	9,750	40,301
Subscriptions	5	249	5,228	5,482
Managed services	4,231	-	-	4,231
Other income	355	-	-	355
Total income	20,874	14,517	14,978	50,369
Expenses	(24,265)	(14,161)	(17,288)	(55,714)
Segment contribution	(3,391)	356	(2,310)	(5,345)

Professional services has been incorporated into Language services.

Reconciliation from segment contribution to net profit/(loss) before income tax

	2025	2024
<i>Year ended 31 March 2025</i>	\$'000	\$'000
Segment contribution	(11,641)	(5,345)
Net finance income/(expense)	1,142	2,874
Net profit/(loss) before income tax	(10,499)	(2,471)

4. Revenue

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for or services to a customer.

For each contract with a customer, the Group identifies the contract, identifies the performance obligations, determines the transaction price considering estimates of variable consideration and the time value of money, allocates the transaction price to the separate performance obligations based on the relative stand-alone selling price of each distinct good or service to be delivered, and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer of the promised goods or services to the customer.

Variable consideration within the transaction price, if any, reflects revenue dependent on factors such as input hours, words translated, and costs incurred.

If these factors are not known at the time of recognition, the Group will estimate the amount of variable consideration based on the best available information and will adjust the recognised revenue in subsequent periods when the uncertainty is resolved.

The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue.

The accounting policy and key judgements for the Group's material revenue streams are outlined below.

Language services

The Group's Language Services contracts with customers provide for the Group to be reimbursed for their performance under the contract as the work is undertaken.

The Group's performance obligations towards customers, in the majority of the Group's contracts, are for the provision of language services as a single delivery.

As the Group has an enforceable right to remuneration for the work completed up to that stage and there is no alternative use for the translated asset, the Group recognises revenue over time for this performance obligation.

The Group measures the completeness of this performance obligation using input methods. The relevant input method is the cost incurred to date as a proportion of total costs, in determining the progress towards the completion of the performance obligation for Language Services contracts.

Language services revenue determined to be earned but not yet invoiced is accrued as a contract asset and recorded under other assets and prepayments on the Consolidated Statement of Financial Position when it is probable that economic benefits will flow to the Group.

Subscriptions

The Group recognises revenue pursuant to software licence agreements upon the provision of access to its customers of the Group's intellectual property as it exists at any given time during the period of the licence.

The Group's Subscription revenue is derived from software platform access and support services contracts with customers.

The Group has determined that the software access and support services are only one performance obligation, which is to provide the platform services to the customers over the contracted period. The customer could not benefit from deployment of the platform on its own and separately from the platform access, and as such there is no distinct performance obligation.

The customer receives and consumes the benefit as the Group performs its performance obligation, therefore control is transferred over time.

Revenue is therefore recognised over the duration of the agreement or for as long as the customer has been provided access, when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is probable.

Revenue received for services not yet performed are deferred as a contract liability on the Statement of Financial Position, and recognised over the contract period as the performance obligation is completed.

Managed services

Managed services revenue comprises fees charged for translation request management and infrastructure services recognised over time based on agreed charges and input hours.

a) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Types of services over time	2025	2024
	\$'000	\$'000
Language services	30,458	40,301
Subscriptions	5,520	5,482
Managed services	8,885	4,231
Revenue from contracts with customers	44,863	50,014

Additional disaggregation of the Group's revenue by segment is included in Note 3.

5. Other income

	2025	2024
	\$'000	\$'000
Research & development tax credit	182	353
Miscellaneous income/(expense)	-	2
	182	355

The Group received government grant income in the year in the form of a R&D Tax Credit of \$0.182 million (2024: \$0.353 million).

Government grants are not recognised until there is reasonable assurance that:

- the entity will comply with the conditions attaching to them;
- the grants will be received.

When the recognition criteria are met, government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. When the recognition criteria are met, a government grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs, is recognised in profit or loss in the period in which it becomes receivable.

6. Expenses

		2025	2024
	Notes	\$'000	\$'000
Cost of sales and operating expenses			
Advertising and marketing		1,096	965
Employee entitlements		17,172	20,507
Capitalised software development	13	(2,152)	(2,671)
Recruitment and other personnel costs		770	919
Superannuation contributions		365	389
Share option expenses		167	234
Consultants and contractors		17,778	19,866
Bad debts written off/(recovered)		142	150
Communication, insurance and office administration		513	653
Computer equipment and software		1,510	1,654
Platform costs		1,775	1,510
Short term and low value leases		3	195
Travel-related costs		912	512
Other operating expenses		244	987
Acquisition and restructure costs		187	245
Total cost of sales and operating expenses excl. depreciation, amortisation and impairment losses		40,482	46,115
Depreciation, amortisation, and impairment of non-financial assets			
Amortisation of customer relationship	13	928	1,269
Amortisation of software development	13	5,176	1,987
Amortisation of acquired software	13	2,603	3,053
Amortisation of right of use assets	16	566	474
Depreciation of plant and equipment		113	139
Impairment losses	13	6,818	2,677
Total depreciation, amortisation, and impairment of non-financial assets		16,204	9,599
Total cost of sales and operating expenses		56,686	55,714
Remuneration to parent auditor			
- fee relating to audit of the financial statements		125	134
- fee relating to other assurance engagement (interim review)		54	66
- taxation services – compliance		22	42
Total auditor's remuneration		201	242

7. Net finance income and expense

	2025	2024
	\$'000	\$'000
Finance income		
Interest received on financial assets at amortised cost	220	279
Net foreign exchange gain	970	932
Gain on fair value adjustment to contingent consideration liability	-	1,985
Total finance income	1,190	3,196
Finance expense		
Interest expense on loans and borrowings stated at amortised cost	-	(8)
Interest expense on leases	(48)	(66)
Imputed interest on contingent consideration liability	-	(248)
Total finance expense	(48)	(322)
Net finance income	1,142	2,874

The Group's net foreign exchange gain for the period was \$0.970 million (2024: \$0.932 million). This gain resulted primarily from the revaluation of inter-company loans due to the appreciation of the Euro and US Dollar against the New Zealand Dollar. The revaluation included \$1.109 million in unrealised gains and \$0.139 million in realised losses.

Finance income includes interest income, which is recognised as it accrues in profit or loss, using the effective interest method, and fair value gain on adjustment to contingent consideration liabilities, which is measured at fair value through profit or loss.

Foreign currency translation gains and losses are recorded in finance income and expense in accordance with Note 19 (d).

8. Income tax expense

a) Income tax recognised in profit or loss

	2025	2024
(a) Income tax recognised in profit or loss	\$'000	\$'000
Current tax expense	45	73
Deferred tax credit	(386)	(355)
Total tax credit	(341)	(282)

The income tax expense comprises current and deferred tax. The income tax expense is recognised in profit and loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts for taxation purposes.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination that affects neither accounting nor taxable profit or loss.

The total charge for the period can be reconciled to the accounting profit as follows:	2025	2024
	\$'000	\$'000
Loss before tax	(10,499)	(2,471)
Income tax expense calculated at 28% (2024: 28%)	(2,940)	(692)
Prior period adjustments	2	18
Different tax rates applied in overseas jurisdictions	219	(137)
Tax losses not recognised	2,378	529
Total tax credit	(341)	(282)

b) Deferred tax liability

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28% (2024: 28%).

	2025	2024
	\$'000	\$'000
Deferred tax liability		
Deferred tax liabilities arising on intangible assets	384	739
Reversal of temporary differences	(386)	(355)
Effect of change in foreign exchange rates	2	-
At 31 March	-	384

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax assets and liabilities on a net basis.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax asset has not been recognised by the Group because the directors consider that it is not probable that the related tax benefit will be realised, due to a recent history of losses.

The value of deferred tax asset not recognised as at 31 March 2025 was \$5.848 million (2024: \$5.610 million). The deferred tax asset not recognised is comprised of the effect of the tax benefit of operating losses. The Group has accumulated tax losses to carry forward for tax purposes of \$25.916 million (2024: \$24.775 million).

c) Imputation credits

Imputation credits available for use in future reporting periods are as follows:

	2025	2024
	\$'000	\$'000
Imputation credits at 1 April	5	7
New Zealand tax payments, net of refunds	(5)	(2)
Imputation credits available to shareholders of the company at 31 March	-	5

9. Earnings per share

Earnings per share has been calculated based on shares issued at the respective measurement dates. Share options are considered anti-dilutive as the Group is loss making and are thus not taken into account in the calculation of diluted earnings per share.

	2025	2024
	\$'000	\$'000
Numerator		
Loss for the year after tax ("N")	(10,158)	(2,189)
Denominator	\$'000	\$'000
Weighted average number of ordinary shares used in EPS ("D1")	64,339	67,074
	Cents	Cents
Basic and diluted earnings per share (N/D1 x 100)	(15.79)	(3.26)

10. Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Cash and cash equivalents	12,915	12,165

Cash and cash equivalents consist of cash at bank immediately available on demand.

11. Trade receivables

		2025	2024
	Notes	\$'000	\$'000
Gross trade receivables		7,459	9,383
Impairment allowance		(88)	(719)
Trade receivables		7,371	8,664
Opening balance of impairment provision		719	677
Bad debts written off	6	142	150
(Decrease)/increase in provision for the year		(634)	34
Foreign exchange adjustment		(139)	(142)
Closing balance of impairment provision		88	719

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates.

12. Other assets and prepayments

		2025	2024
	Notes	\$'000	\$'000
Contract asset	12.1	810	1,095
Goods and services tax		35	-
Prepayments		1,019	1,000
Sundry receivables		267	212
		2,131	2,307

12.1. Contract asset

	2025	2024
	\$'000	\$'000
Opening balance	1,095	2,932
Invoiced in the year	(1,095)	(2,932)
Revenue accrued for services performed not yet invoiced	810	1,095
	810	1,095

13. Intangible assets

	Notes	Software development \$'000	Acquired software \$'000	Customer relationship \$'000	Goodwill \$'000	Total \$'000
<i>Year ended 31 March 2025</i>						
Opening net book value		6,349	2,186	1,404	12,565	22,504
Additions in the year		2,152	-	-	-	2,152
Amortisation expense	6	(5,176)	(2,603)	(928)	-	(8,707)
Impairments	6	-	-	(483)	(6,335)	(6,818)
Foreign exchange adjustment		119	417	7	480	1,023
Closing net book value		3,444	-	-	6,710	10,154
<i>At 31 March 2025</i>						
Cost		14,953	13,392	10,959	16,041	55,345
Accumulated amortisation and impairment		(11,509)	(13,392)	(10,959)	(9,331)	(45,191)
Closing net book value		3,444	-	-	6,710	10,154
	Notes	Software development \$'000	Acquired software \$'000	Customer relationship \$'000	Goodwill \$'000	Total \$'000
<i>Year ended 31 March 2024</i>						
Opening net book value		5,546	5,047	2,670	15,242	28,505
Additions in the year		2,671	-	-	-	2,671
Amortisation expense	6	(1,987)	(3,053)	(1,269)	-	(6,309)
Impairments	6	-	-	-	(2,677)	(2,677)
Foreign exchange adjustment		119	192	3	-	314
Closing net book value		6,349	2,186	1,404	12,565	22,504
<i>At 31 March 2024</i>						
Cost		12,609	12,328	10,597	16,041	51,575
Accumulated amortisation and impairment		(6,260)	(10,142)	(9,193)	(3,476)	(29,071)
Closing net book value		6,349	2,186	1,404	12,565	22,504

Additions in the year include salaries and wages of \$1.639m (2024: \$2.219m).

Software development

Research costs are expensed as incurred. Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets where the following criteria are met:

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

Capitalised development costs, primarily related to software developed to manage translation service projects, are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis within administration expenses in profit or loss over the estimated useful lives of the assets, from the date they are available for use. Development expenditure not satisfying capitalisation criteria, and expenditure on the research phase, is recognised in profit or loss as incurred. Estimated useful lives are reviewed at least annually.

Effective 31 March 2025, the Group revised the estimated useful life for its capitalised software assets from 5 years down to 3 years. This change was accounted for prospectively as a change in accounting estimate in accordance with IAS 8.

The revision reflects management's assessment of the increased risk of technological obsolescence arising from rapid advancements in artificial intelligence (AI), which is expected to shorten the period over which these assets will generate economic benefits for the Group.

The effect of this change in estimate for the year ended 31 March 2025 was an increase in amortisation expense of \$2.937m compared to what would have been recognised using the previous 5-year estimate. This change is also expected to result in increased amortisation expense in future periods.

Acquired software

Computer software acquired or in a business combination is initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition.

Following initial recognition, Computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful economic lives of computer software is between 2 and 4 years dependent on the underlying nature and historical information and is amortised over 2-4 years on a straight line basis (2024: 2-4 years).

Customer relationships

Customer relationships acquired in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, customer relationship intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful economic lives of customer relationships are between 3 and 7 years dependent on the underlying contracts, historical information and forecast revenues (2024: 3-7 years).

Intangible asset impairment

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Goodwill

Goodwill represents the excess of the cost of a business combination over the total fair value of the identifiable assets (including intangibles), liabilities and contingent liabilities acquired at acquisition date. Any impairment in the goodwill carrying value is charged to the profit or loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to profit or loss on acquisition date.

Cash generating units

There has been a change in the CGUs in the period with IDEST CGU merged into Europe CGU following a business reorganisation.

The Group has allocated goodwill to the below regions or subsidiaries, as the group of assets that each generate cash inflows that are largely independent of the cash inflows from other assets in the Group.

The allocation of goodwill to the CGUs at 31 March 2025 as follows:

	Note	Europe ¹ \$'000	IDEST ² \$'000	NAM ³ \$'000	NZ ⁴ \$'000	Total \$'000
<i>Year ended 31 March 2025</i>						
Opening net book value		3,991	1,748	4,107	2,719	12,565
Impairment	6	-	(1,748)	(4,587)	-	(6,335)
Foreign exchange adjustment		-	-	480	-	480
Closing net book value		3,991	-	-	2,719	6,710
Segment	3	EMEA	EMEA	NAM	NZ	

¹ Europe – made up of subsidiaries located in Europe

² IDEST – made up of IDEST, a Belgium subsidiary merged into EUR CGU following a business reorganisation

³ NAM – made up of North American subsidiaries and Straker Japan

⁴ NZ – made up of the NZ entity

	Notes	Europe ¹ \$'000	IDEST ² \$'000	NAM ³ \$'000	Lingotek ⁵ \$'000	NZ ⁴ \$'000	Total \$'000
<i>Year ended 31 March 2024</i>							
Opening net book value (restated)		3,991	4,425	970	3,137	2,719	15,242
Reorganisation		-	-	3,137	(3,137)	-	-
Impairment	6	-	(2,677)	-	-	-	(2,677)
Closing net book value		3,991	1,748	4,107	-	2,719	12,565
Segment	3	EMEA	EMEA	NAM	NAM	NZ	

¹ Europe – made up of subsidiaries located in Europe

² IDEST – made up of IDEST, a Belgium subsidiary merged into EUR CGU following a business reorganisation

³ NAM – made up of North American subsidiaries and Straker Japan

⁴ NZ – made up of the NZ entity

⁵ Lingotek - made up of Lingotek, a USA subsidiary merged into NAM CGU following a business reorganisation at the conclusion of Lingotek's earn-out period

The Group is required to test, on an annual basis, whether goodwill is subject to any impairment, by comparing the carrying amount of each CGU to its recoverable amount.

The recoverable amount of all CGUs has been determined based on value-in-use calculations. The cash flow projections used in the value in use calculations are based on management's forecasts for the year ending 31 March 2026, then applicable growth rates applied to revenue and costs from year 2 to 5 for most of the cash generating units. Cash flows beyond the five-year period are extrapolated using the terminal growth rates stated below.

The key assumptions and inputs to the value in use calculations are as follows:

	Annual revenue growth rates	Gross Margin Rate	Discount rate	Terminal growth rate
<i>Year ended 31 March 2025</i>				
Europe	3.7%	56.9%	12.8%	2.0%
NAM	9.2%	66.0%	13.9%	2.5%
NZ	4.8%	68.7%	14.7%	1.9%
<i>Year ended 31 March 2024</i>				
Europe (restated)	3.0%	57.9%	12.9%	2.1%
NAM	7.0%	63.0%	14.2%	2.7%
NZ	6.0%	69.0%	14.8%	2.3%

Sensitivity analysis

IDEST CGU

Straker acquired IDEST in January 2022 to expand its contracted translation services for European institutions. As disclosed in the interim financial statements, performance in the six months to 30 September 2024 was below expectations, primarily due to the non-renewal of two low-margin contracts with European Union institutions. Given the underperformance and uncertainty around the strategic value of translation services delivered via mandated customer platforms, management recognised a full impairment of the \$2.23 million carrying value of the IDEST assets as at 30 September 2024. This comprised \$1.75 million of goodwill and \$0.48 million of other intangible assets.

Straker continues to engage with IDEST's customer base and pursue new opportunities aligned with its broader strategic objectives. No separate sensitivity analysis was performed on IDEST as it has been merged with the Europe CGU.

Europe CGU

Management has determined that there are other reasonably possible changes in the key assumptions on which management has based its determination of Europe CGU's recoverable amounts that would cause the CGU's carrying amount to exceed its recoverable value. If any one of the following changes were made to the above assumptions, the carrying amount and the recoverable amount would be equal.

	Annual revenue growth rates	Gross Margin Rate	Discount rate	Terminal growth rate
Europe	Rate to below 3.2%	Decrease in rate of 5.1%	Increase in rate to 19.9%	Rate to below 0%

NAM CGU

An indicator of impairment was identified for the NAM CGU, due to lower revenue than forecast primarily due to the non-renewal of a major contact for the NAM CGU. As a result, an impairment test was performed and the carrying amount of the NAM CGU was reduced to nil at 31 March 2025.

As the recoverable amount determined using the value in use valuation methodology is less than the carrying amount of the NAM CGU of \$4.6million, an impairment of \$4.6 million has been recognised against goodwill in the current period. The impairment charge is recorded in the profit or loss within expenses for the period ended 31 March 2025.

NZ CGU

Management has determined that there are other reasonably possible changes in the key assumptions on which management has based its determination of NZ CGU's recoverable amounts that would cause the CGU's carrying amount to exceed its recoverable value. If any one of the following changes were made to the above assumptions, the carrying amount and the recoverable amount would be equal.

	Annual revenue growth rates	Gross Margin Rate	Discount rate	Terminal growth rate
NZ	Rate to below 4.6%	Decrease in rate of 2.8%	Increase in rate to 19.1%	Rate to below 0%

14. Trade and other payables

	2025	2024
	\$'000	\$'000
Trade payables	1,743	2,467
Accruals	1,481	1,765
Translator costs accrual	1,161	1,432
Goods and services tax	-	103
Sundry payables	98	122
	4,483	5,889

No interest is incurred on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe typically within a matter of months.

15. Contract liability

	2025	2024
	\$'000	\$'000
Opening balance	4,875	6,403
Recognised as revenue in the year	(3,223)	(4,932)
Payments received in advance	1,782	3,404
	3,434	4,875

Remaining performance obligations

Contract liability represents an obligation to provide products or services to a customer when payment has been made in advance and delivery or performance has not yet occurred. These are expected to be delivered within the next 12 months, for which the practical expedient regarding any financing component has been applied.

16. Lease accounting

	Property	Other	Total
	\$'000	\$'000	\$'000
Right of use assets			
<i>Year ended 31 March 2025</i>			
Opening net book value	969	63	1,032
Additions in the year	132	-	132
Impact of lease modifications	-	-	-
Amortisation expense	(548)	(18)	(566)
Foreign exchange adjustment	12	3	15
Closing net book value	565	48	613
<i>Year ended 31 March 2024</i>			
Opening net book value	1,244	2	1,246
Additions in the year	162	70	232
Impact of lease modifications	-	-	-
Amortisation expense	(465)	(9)	(474)
Foreign exchange adjustment	28	-	28
Closing net book value	969	63	1,032
	Property	Other	Total
	\$'000	\$'000	\$'000
Lease liabilities			
<i>Year ended 31 March 2025</i>			
Opening net book value	1,150	65	1,215
Additions in the year	132	-	132
Interest expense	45	3	48
Lease payments	(682)	(21)	(703)
Lease modifications	-	-	-
Foreign exchange adjustment	31	4	35
Closing net book value	676	51	727
<i>Year ended 31 March 2024</i>			
Opening net book value	1,467	2	1,469
Additions in the year	157	70	227
Interest expense	64	2	66
Lease payments	(574)	(9)	(583)
Lease modifications	-	-	-
Foreign exchange adjustment	36	-	36
Closing net book value	1,150	65	1,215
		2025	2024
		\$'000	\$'000
Current		520	574
Non-Current		207	641
		727	1,215

Nature of Leased Assets

The Group leases office properties in multiple jurisdictions, with rental adjustments based on inflation or market resets. It also leases items of plant and equipment, which involve only fixed lease payments. The impact of future variable lease payments is considered immaterial.

Lease payments are made monthly. Future lease liabilities are as follows:

- **Due within 12 months:** \$0.538 million (2024: \$0.713 million)
- **Due after 12 months (within 3 years):** \$0.209 million (2024: \$0.640 million)

All leases are accounted for by recognising a right-of-use asset and a corresponding lease liability, except for:

- Leases of low-value assets; and
- Leases with a term of 12 months or less

For these exempt leases, payments are recognised as lease expenses on a straight-line basis over the lease term (note 6).

Initial Measurement

Lease liabilities are measured at the present value of lease payments over the lease term, discounted using either:

- The rate implicit in the lease (if readily determinable), or
- The Group's incremental borrowing rate (if not)

Variable lease payments based on an index or rate are included in the lease liability. Other variable payments are expensed as incurred.

The lease liability may also include:

- Penalties for early termination, if termination is reasonably expected

Right-of-use assets are initially measured at the value of the lease liability, adjusted for:

- Lease payments made at or before lease commencement
- Any initial direct costs incurred
- Lease incentives received

Subsequent Measurement

- Lease liabilities are increased by interest and reduced by lease payments
- Right-of-use assets are amortised on a straight-line basis over the lease term or useful life, whichever is shorter

17. Share capital and capital management

	2025	2024
Ordinary capital	\$'000	\$'000
Balance at beginning of the year	66,774	68,804
Shares repurchased and cancelled	-	(2,030)
Balance at end of the year	66,774	66,774

	2025	2024
Ordinary capital	No. of Shares	No. of Shares
Balance at beginning of the year	64,339,299	67,839,299
Shares repurchased and cancelled	-	(3,500,000)
Balance at end of the year	64,339,299	64,339,299

In February 2024 the company completed an on-market buy-back of 3,500,000 ordinary shares. The average price for the purchases was AU\$0.54 per share, excluding brokerage costs, for a total consideration of NZ\$2.0 million which included brokerage costs. The acquired shares were subsequently cancelled.

All shares have been issued, are fully paid, and have no par value.

Capital management

The Group's capital includes share capital and retained earnings. The Group's policy is to maintain a strong share capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

18. Group subsidiaries

	Country of Incorporation	Ownership Interest 2025	Ownership Interest 2024
ComTranslations Inc.	United States of America	100%	100%
Elanex Inc. ("Elanex")	United States of America	100%	100%
Eurotext Translations Limited ("Eurotext")	Ireland	100%	100%
IDEST Communication SA	Belgium	100%	100%
New Zealand Translations Centre Limited ("NZTC")	New Zealand	100%	100%
Straker Europe Limited	Ireland	100%	100%
Straker Germany GmbH ("Eule")	Germany	100%	100%
Straker Japan KK	Japan	100%	100%
Straker Lingotek LLC	United States of America	100%	100%
Straker Spain SL	Spain	100%	100%
Straker Translations Australia Pty Limited	Australia	100%	100%
Straker Translations Inc.	United States of America	100%	100%
Straker Translations UK Limited ¹	United Kingdom	-	100%

¹ Dissolved on 24 December 2024

Straker Spain SL, Straker Translations UK Limited, IDEST Communication SA and Eurotext Translations Limited are 100% subsidiaries of Straker Europe Limited.

ComTranslations Inc. is a 100% subsidiary of Straker Spain SL.

Elanex Inc. and Straker Lingotek LLC are 100% subsidiaries of Straker Translations Inc.

Straker Japan KK is a 100% subsidiary of Elanex Inc.

All subsidiary companies are providers of language services and have 31 March reporting dates.

19. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Interest rate risk;
- Liquidity risk; and
- Foreign exchange risk

This Note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Trade receivables
- Trade payables, accruals and translator costs accrual

a) Financial risk management objectives, policies and processes

The Group manages their exposure to key financial risks, including credit risk, interest risk, liquidity risk and foreign exchange risk in accordance with the Group's financial risk management policies. The objective of these policies is to support the delivery of the Group's financial targets whilst protecting future financial security.

The Board reviews and agrees policies for managing each of these risks as summarised below.

	Assets at Amortised Cost	Liabilities at Amortised Cost	Total Carrying Amount
At 31 March 2025	\$'000	\$'000	\$'000
Financial assets			
Cash and cash equivalents	12,915	-	12,915
Trade receivables	7,371	-	7,371
Sundry receivables	267	-	267
Total	20,553	-	20,553
Financial liabilities			
Trade payables	-	1,743	1,743
Accruals	-	1,481	1,481
Translator costs accrual	-	1,161	1,161
Sundry payables	-	98	98
Lease liabilities	-	727	727
Total	-	5,210	5,210

	Assets at Amortised Cost	Liabilities at Amortised Cost	Total Carrying Amount
At 31 March 2024 (restated)	\$'000	\$'000	\$'000
Financial assets			
Cash and cash equivalents	12,165	-	12,165
Trade receivables	8,664	-	8,664
Sundry receivables	212	-	212
Total	21,041	-	21,041
Financial liabilities			
Trade payables	-	2,467	2,467
Accruals	-	1,765	1,765
Translator costs accrual	-	1,432	1,432
Sundry payables	-	122	122
Lease liabilities	-	1,215	1,215
Total	-	7,001	7,001

b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Group to credit risk principally consist of cash and cash equivalents and trade receivables.

In the normal course of business, the Group incurs credit risk from debtors and transactions with banking institutions. The Group manages its exposure to credit risk by:

- holding bank balances with banking institutions with good credit ratings; and
- maintaining credit control procedures over debtors. The Group performs credit evaluations on all customers requiring credit.

The maximum exposure at reporting date is equal to the total carrying amount of cash and cash equivalents, and trade receivables as disclosed in the Consolidated Statement of Financial Position. At each reporting date, trade receivables are reviewed for future expected credit losses in accordance with Note 19 (d).

The Group does not require any collateral or security to support these financial instruments and other debts it holds due to the low risk associated with the counterparties to these instruments. Trade receivables net of the Expected Credit Loss provision as stated in Note 11, include balances more than 30 days past due of \$0.2m (2024: \$0.6m).

A significant amount of cash and cash equivalents is held with the following institutions. All cash and cash equivalents are cash at bank (2024: no change):

	Rating	2025	2024
Bank		\$'000	\$'000
ANZ New Zealand	A1	5,164	6,130
Commerzbank	A1	270	64
ING	Aa3	728	1,021
MUFG Bank	A1	80	194
NAB	Aa2	597	579
PayPal	A3	414	434
Revolut	*	448	281
Sabadell	BAA1	205	209
Zions	A2	4,904	3,148

* Revolut is not currently rated by Moody's. Deposits are insured up to a maximum of €100k per holding and as such any expected credit loss would be immaterial.

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations associated with financial liabilities as they fall due. The Group closely monitors its cash inflows and cash requirements to manage the net position in order to maintain an appropriate liquidity position.

Maturity analysis - Undiscounted contractual liability

	Current	Due 1-6m	Due 7-12m	Due 13-24m	Due 25-36m	Total	Total Carrying Amount
At 31 March 2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade payables	1,743	-	-	-	-	1,743	1,743
Accruals	1,481	-	-	-	-	1,481	1,481
Translator costs accrual	1,161	-	-	-	-	1,161	1,161
Sundry payables	98	-	-	-	-	98	98
Lease liabilities	-	362	176	127	83	748	727
Total	4,483	362	176	127	83	5,231	5,210

At 31 March 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade payables	2,467	-	-	-	-	2,467	2,467
Accruals	1,765	-	-	-	-	1,765	1,765
Translator costs accrual	1,432	-	-	-	-	1,432	1,432
Sundry payables	122	-	-	-	-	122	122
Lease liabilities	-	311	318	437	204	1,270	1,215
Total	5,786	311	318	437	204	7,056	7,001

d) Foreign currency risk

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal trading activities. The foreign currencies in which the Group primarily transacts are Euros, US Dollars and Australian Dollars.

The following significant exchange rates applied during the year:

	Monthly average rate		Reporting date spot rate	
	2025	2024	2025	2024
AUD	0.9115	0.9279	0.9094	0.9153
EUR	0.5537	0.5613	0.5253	0.5524
USD	0.5915	0.6104	0.5716	0.5966

The table below summarises the material foreign exchange exposure on the net monetary assets and liabilities of the entity against the significant foreign currencies in which the Group primarily transacts, expressed in NZD:

	2025	2024
AUD	\$'000	\$'000
Cash and cash equivalents	454	625
Trade receivables	131	261
Trade payables	(29)	(80)
Total	556	806

	2025	2024
EUR	\$'000	\$'000
Cash and cash equivalents	1,668	975
Trade receivables	769	1,637
Trade payables	(684)	(738)
Total	1,753	1,874

	2025	2024
USD	\$'000	\$'000
Cash and cash equivalents	8,124	8,949
Trade receivables	5,854	5,838
Trade payables	(865)	(1,149)
Total	13,113	13,638

Sensitivity analysis

Based on the net exposure above, the table below outlines the sensitivity of profit and equity to reasonably likely movements of that currency to the NZD.

	2025	2024
	\$'000	\$'000
12.5% weakening in NZD/EUR (2024: 12.5%)	251	267
5% strengthening in NZD/EUR (2024: 5%)	(84)	(89)
12.5% weakening in NZD/USD (2024: 12.5%)	1,872	1,949
7.5% strengthening in NZD/USD (2024: 7.5%)	(915)	(951)
12.5% weakening in NZD/AUD (2024: 12.5%)	79	115
5% strengthening in NZD/AUD (2024: 5%)	(26)	(38)

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

20. Related party transactions

The Group's related parties include its subsidiary companies as disclosed in Note 18. All related party transactions within the Group are eliminated on consolidation.

a) Transactions with other related parties during the normal course of business

Other than transactions with directors and key management personnel disclosed in Note 20 (b), related party transactions totaling \$1,979 (2024: nil) were noted during the year. These transactions were conducted on an arm's length basis.

b) Transactions with directors

2025	Director Fees (including disbursements)	Employee Benefits - Defined Contribution Plan	Salary & Bonus	Total \$'000
Amanda Cribb	93	-	-	93
Grant Straker	-	17	552	569
Linda Jenkinson ¹	105	-	-	105
Stephen Donovan	76	-	-	76
Steven Bayliss	93	-	-	93
Former directors				
Heith Mackay-Cruise ²	39	-	-	39
James Johnstone ³	78	-	-	78
Total	484	17	552	1,053

2024	Director Fees (including disbursements)	Employee Benefits - Defined Contribution Plan	Salary & Bonus	Total \$'000
Amanda Cribb	92	-	-	92
Grant Straker	-	14	461	475
Stephen Donovan	66	-	-	66
Steven Bayliss	92	-	-	92
Former directors				
Heith Mackay-Cruise ²	138	-	-	138
James Johnstone ³	75	-	-	75
Total	463	14	461	938

¹ Joined as director 1 July 2024

² Ceased as director 1 July 2024

³ Ceased as director 1 May 2025

c) Key management personnel

	2025	2024
	\$'000	\$'000
Directors' fees	484	463
Short-term employee benefits - defined contribution plan	38	34
Short-term employee benefits - salary and bonus	1,273	1,122
Share option expenses	60	94

Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, and include the directors, the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer.

21. Share options

Options to subscribe for shares have been issued to certain directors and employees of the Group. The purpose of this plan is to incentivise, attract, retain and reward certain staff for their service to the Group and to motivate them to contribute to the growth and profitability of the Group.

The fair value of options granted is recognised as an employee expense in profit or loss with a corresponding increase in the share option reserve. The fair value is measured at the grant date using either the Binomial or the Black-Scholes pricing model, reflecting the specific terms and conditions attached to each grant, and is spread over the vesting periods.

Options vest subject to continued employment as a service condition. Of the total options granted, 200,000 options are subject to an additional market-based vesting condition, requiring a specified share price to be achieved before they can be exercised. All other options are fully exercisable by 27 September 2027.

When options are exercised, the amount in the share option reserve relating to those options, together with the exercise price paid, is transferred to share capital.

Reconciliation of outstanding options	Number of Options	Average Exercise Price (NZD)
Balance at 31 March 2023	3,907,677	\$1.50
Issued during the year	999,800	\$0.87
Lapsed during the year	(411,265)	\$1.22
Balance at 31 March 2024	4,496,212	\$1.41
Issued during the year	1,585,000	\$0.48
Lapsed during the year	(647,722)	\$1.32
Balance at 31 March 2025	5,433,490	\$1.16

No options were exercised during the year (2024: nil).

Share-Based Payment Expense and Valuation Assumptions

The cost of options expensed during the year was \$0.167 million (2024: \$0.234 million).

The valuation of options was conducted using both the Black-Scholes and Binomial pricing models. The key assumptions used in the valuation of options granted were as follows:

	2025	2024
Share Price at grant date (NZD)	\$0.45 to \$0.53	\$0.84
Exercise Price (NZD)	\$0.42 to \$0.51	\$0.87
Expected Volatility	30.00%	30.00%
Expected Life	3.75 to 4 years	4 years
Risk Free rate	4.24% to 4.61%	4.12%
Black out factor	25.00%	25.00%

Directors

The following directors hold the following number of options as at reporting date:

	2025		2024	
	Exercise Price (NZD)	Number of Options	Exercise Price (NZD)	Number of Options
Stephen Donovan	\$1.66	16,667	\$1.65	25,000
Linda Jenkinson	\$0.42	300,000	-	-
Grant Straker	\$1.28	954,710	\$1.45	927,267

Key management personnel

The key management personnel hold the following number of options as at reporting date:

	2025		2024	
	Exercise Price (NZD)	Number of Options	Exercise Price (NZD)	Number of Options
Key management personnel	\$1.28	1,913,380	\$1.44	1,797,300

22. Reconciliation of net profit for the year with net cash flows from operating activities

	2025	2024
	\$'000	\$'000
Net loss after tax for the year	(10,158)	(2,189)
Adjusted for:		
Non-cash items		
Amortisation of capitalised software development	5,176	1,987
Amortisation of acquired software	2,603	3,053
Amortisation of acquired intangibles	928	1,269
Amortisation of right of use assets	566	474
Depreciation of plant and equipment	113	139
Impairment (recovery)/loss on trade receivables	(492)	184
Impairment of plant and equipment	-	4
Impairment loss on intangibles	6,818	2,677
Release of deferred consideration liability	-	(1,737)
Share options	167	234
Taxation	(386)	(355)
Foreign currency loss/(gain)	(690)	(1,565)
Non-operating activity items		
Interest on lease liabilities	48	66
Impact of changes in working capital items		
Movement in debtors, prepayments and other debtors	1,355	2,898
Movement in creditors, accruals and other payables	(2,655)	(2,091)
Net cash flow from operating activities	3,393	5,048

Non-cash investing and financing activities

There are no significant non-cash transactions included in investing activities.

23. Events after the reporting period

There were no reported significant events after reporting date.

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CORPORATE GOVERNANCE STATEMENT

For the year ended 31 March 2025

Overview

The Board of Directors of Straker Limited (Straker) is committed to upholding a high standard of corporate governance. Straker complies as far as possible with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (**ASX Corporate Governance Principles and Recommendations**) having regard to the nature and size of Straker's operations.

This Corporate Governance Statement outlines Straker's commitment to achieving compliance with the central principles of the recommendations set by the ASX Corporate Governance Council based on:

- an overview of Straker's implementation of the ASX Corporate Governance Principles and Recommendations during the year ended 31 March 2025
- an explanation of the ASX Corporate Governance Principles and Recommendations with which Straker does not currently comply and the reasons for any non-compliance; and
- a statement of Straker's intention to take certain actions and adopt certain policies and processes in order to achieve compliance with the ASX Corporate Governance Principles and Recommendations.

The Board charters, corporate governance principles and policies are available on Straker's website at www.straker.ai.

This Statement has been prepared in accordance with ASX Listing Rule 4.10.3, is current as at 31 March 2025 (unless otherwise indicated), and has been approved by Straker's Board of Directors.

Principle 1:

Lay solid foundations for management and oversight

A listed entity should disclose:

- the respective roles and responsibilities of its board and management; and
- those matters expressly reserved to the board and those delegated to management.

The respective roles and responsibilities of Straker's Board and Management

Straker's Board of Directors (Board) is the body responsible for the overall corporate governance and decision making within the Company. While Straker's executive leadership team (being employees of Straker who report directly to Straker's Chief Executive Officer) deal with and supervise the day-to-day operational issues and processes experienced by Straker in carrying out its business, the role of the Board is to direct and supervise the management of Straker's business by its executive leadership team, and to ensure that the longer-term strategic objectives of the Company continue to be met.

In order to promote efficiency, the Board may from time-to-time delegate certain functions to its executive leadership team. Actions delegated to the executive leadership team typically involve management of Straker's resources to deal with day-to-day operations of the business in a way that contributes to Straker's overall strategic direction as set by the Board. The Board has delegated to the Managing Director & Chief Executive Officer all the powers and authorities required to manage the day-to-day operations of Straker's business, except those expressly reserved to the Board or one of its committees. Straker's Board Charter sets out the role and responsibilities of the Board and regulates internal Board procedures. Details about the Company's Board are available on Straker's website.

Selection and recommendation of director candidates

Before appointing or putting forward to shareholders any candidate for election or re-election as a director of Straker, a formal process is undertaken to complete appropriate checks on that candidate, including checks as to that candidate's character, experience, education, criminal record, bankruptcy history and a valid Australian Director Identification Number. If Straker is satisfied with the results of such checks and determines that the candidate be put forward to shareholders for election, Straker will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect that director candidate.

Terms of appointment of Directors and senior executives

All newly appointed Directors are provided with a letter of appointment setting out the term of appointment, remuneration, the Director's roles and responsibilities and the entity's expectations of that Director (including with regards to time commitments, the requirement to disclose Directors' interests and matters affecting the Director's independence, the requirement to comply with key corporate policies, and ongoing confidentiality obligations). Existing Non-Executive Directors of Straker also have their terms of appointment formalised in a written letter of appointment setting out the above items.

All senior executive employees of Straker have their terms of employment (including a description of their position, duties and responsibilities, remuneration arrangements, the role to which they report, termination obligations and entitlements, and ongoing confidentiality obligations) contained in a written agreement with Straker.

The Company Secretary role

David Ingram is the Company Secretary and was appointed on 19 October 2023. Mr Ingram also serves as the company's Chief Financial Officer and is a member of the executive leadership team. The Company Secretary is appointed by the Board and is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including to ensure the following tasks are completed:

- advising the Board and its committees on governance matters;
- ensuring compliance with the Company's continuous disclosure obligations;
- monitoring that the Board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of Board and committee papers; and
- ensuring that the matters discussed at Board and committee meetings are accurately captured in the minutes of those meetings.

Diversity

The Company is committed to creating and ensuring a diverse work environment in which everyone is treated fairly, with respect and where everyone feels responsible for the reputation and performance of the Company. Straker understands that diversity and inclusivity in the workforce is a strategic asset, and that a workplace with a genuine balance of employees by gender, age and background will strengthen Straker's business performance and create opportunities to access the best people for Straker's business.

Straker has developed a formal Diversity and Inclusion Policy, which was adopted upon the Company's listing to the ASX in October 2018. The updated version (April 2023) copy of the policy can be found on the Company's website.

As at 5 May 2025, the respective gender of employees within Straker were as follows:

	Female	Male	Gender Diverse
Board of Directors*	3	3	-
Executive Leadership Team**	2	4	-
Other managers	16	15	-
All other employees	65	66	1
Total	86	88	1

* Includes CEO
** Excludes CEO

Performance Management

Straker undertakes formal evaluation processes on an annual basis to review the performance of Straker's Board, various Board committees, individual Directors, and senior executive employees. These evaluation processes are conducted as follows:

- Board performance and Board committee performance: Straker's Board conduct an annual self-review and evaluation of its own performance (with assistance from the People and Culture Committee), including the Board's performance against the requirements of the Board Charter.
- Individual Director performance: Straker's Chairperson of the Board conducts performance reviews with individual Directors on an annual basis.
- Senior executive employee performance: The People and Culture Committee periodically evaluates the performance of Straker's senior executives in accordance with the provisions of Straker's People and Culture Committee Charter, which is available on Straker's website. The Chair, with feedback from all non-executive directors, provides formal feedback to the Managing Director & Chief Executive Officer on an annual basis.

Principle 2:

Structure the Board to add value

The Board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

Straker understands the importance of a high performing and effective Board of Directors in ensuring proper governance of a listed entity. Straker has structured its Board of Directors in accordance with the recommendations set out in the ASX Corporate Governance Principles and Recommendations to ensure that the Board is of a sufficient size, independence level, and skill set composition to enable it to manage the requirements of Straker's business and the industry and market in which it operates.

People and Culture Committee

Straker's People and Culture Committee is tasked with overseeing and making recommendations to the Board on the nomination, selection, and appointment of Directors to the Board, the re-election of incumbent Directors, and the remuneration strategies and policies of the Company, including recommendations on the fees to be paid to Directors. The People and Culture Committee has three members, with current members being Steven Bayliss, Helen Foley, and Linda Jenkinson (a majority all of whom are Independent Non-Executive Directors). The Committee is chaired by Steven Bayliss who is an Independent Director of Straker, in accordance with the requirements of the ASX Corporate Governance Principles and Recommendations. The People and Culture Committee Charter sets out the Board's policies and practices regarding the nomination, selection and appointment of new Directors and the re-election of incumbent Directors, as well as the Board's policies regarding the remuneration of Non-Executive Directors and other senior executives and is available on the Company's website.

Skills and experience of the Board

Straker recognises that its Board should represent a diverse range of skills, experience and attributes in order to ensure effective decision making and governance of the Company. The Board currently comprised of members with skills and experience in the following areas:

- Strategic capability and leadership;
- Financial management, accounting and audit;
- Commercial focus and knowledge of business practices;
- Capital Markets and financing;
- Technology and Innovation;
- Legal and Regulatory;
- Risk Management;
- Corporate Governance & ESG;
- Sales and Marketing;
- Digital Media and Communications;

- Cultural competence, with a focus on diversity, equity, and inclusion;
- Employee engagement and talent retention.

There are also a range of qualifications currently represented across the Board, including in the fields of finance and accounting, business management, sales and marketing, and software development.

The Board review on an annual basis the skills, experience and attributes held by the Directors and whether the Board group as a whole possess the skills and experience required to fulfil their role on the Board and relevant Board committees. Where any gaps are identified, the Board will consider what training or development could be undertaken to fill those gaps and provide resources or access to resources to help develop and maintain the skills and knowledge of its Directors.

Board composition and independence

As at the 5th May 2025, the Board comprised the following five Non-Executive Directors and the Managing Director and Chief Executive Officer (CEO):

Name	Position	Date appointed to Board
Linda Jenkinson ¹	Chair and Independent Non-Executive Director	1 July 2024
Grant Straker	Managing Director & Chief Executive Officer	21 December 1999
Stephen Donovan	Non-Executive Director	1 December 2004
Amanda Cribb	Independent Non-Executive Director	20 July 2020
Steven Bayliss	Independent Non-Executive Director	24 August 2022
Helen Foley ²	Non-Executive Director	1 May 2025

¹ Linda Jenkinson succeeded Heith Mackay-Cruise as Chair effective 1 July 2024.

² Helen Foley replaced James Johnstone as a Non-Executive Director effective 1 May 2025.

The Board only considers a Director to be independent where they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgement. On this basis, the following Directors have been determined as being independent as at 31 March 2025 and for the full financial year ending on that date, being Linda Jenkinson, Amanda Cribb, and Steven Bayliss.

Grant Straker, Stephen Donovan and Helen Foley are regarded as non-independent based on the ASX criteria in Principle 2 of the ASX Recommendations.

The Board considers the composition of the Board to be appropriate and does not believe that it is detrimental to the Company or its Shareholders that the majority of the Board is not independent.

The People and Culture Committee re-assesses the independence of each Non-Executive Director on an annual basis and in cases where a specific need for an independence assessment is identified due to a change in the interests, positions, associations, or relationships of one or more Non-Executive Directors. If the Board determines that a Director's status as an Independent Director has changed, the Board will disclose and explain that determination to the market in a timely manner.

Chair of the Board

The Chair of the Board, Linda Jenkinson, is an Independent Non-Executive Director and is not the Managing Director nor Chief Executive Officer.

Induction of new Directors and ongoing professional development

Where a new Director is appointed to the Board, Straker's Chairperson will arrange induction sessions with the new Director to brief them on the background and growth story of the Company and advise the new Director on the Board procedures, constitutional documents, corporate governance policies and procedures.

Due to the current size and growth stage of Straker's business, the Director induction and professional development processes of the Company are largely informal. However, as Straker grows in size and market significance, Straker will consider providing Directors with appropriate formalised professional training and development opportunities to allow new and existing Directors to develop and maintain the skills and knowledge needed to perform their roles effectively.

Board and Committee Meeting Attendance

The number of scheduled Board and Committee meetings held during the year ended 31 March 2025 and the number of meetings attended by each of the Directors is set out in the table below:

Director	Board		Audit & Risk		People & Culture	
	Held ¹	Attended	Held ¹	Attended ²	Held ¹	Attended ²
Heith Mackay-Cruise	3*	2	1	-	1	-
Linda Jenkinson	9*	9	3	3	4	4
Grant Straker	12	12	-	4	-	5
Stephen Donovan	12	12	4	4	-	-
Amanda Cribb	12	12	4*	4	-	-
Steven Bayliss	12	11	-	1	5*	5
James Johnstone	12	12	-	1	5	5

¹ Held represents the number of scheduled meetings held while the relevant director was a member of the Board or the relevant Committee.

² Committee meetings are open to all directors to attend.

* Denotes Board/Committee Chair

Principle 3:

Instil a culture of acting lawfully, ethically and responsibly

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

Straker is committed to complying with its legal obligations and to acting with honesty, integrity and in a manner consistent with the reasonable expectations of its investors and the wider community.

Company Values

Straker's key objectives are to:

- Embrace change to continually evolve;
- Solve hard problems that others cannot;
- Celebrate success as one team;
- Build trust and empower the Company's teams; and
- Operate one platform with one team.

Code of Conduct

Straker expects that all of its Directors, senior executives and employees will also act ethically and responsibly, in strict compliance with all applicable laws, regulations, and in accordance with accepted principles of good corporate citizenship. In order to demonstrate Straker's commitment to acting ethically and responsibly, the Board has developed a Code of Conduct that clearly defines Straker's core values, articulates what Straker regards as acceptable business practices, and sets out the standards and expectations required of the Board, senior executives and employees in performing their duties. Straker's Code of Conduct is available on Straker's website.

Whistleblower Policy

Straker has developed a Whistleblower Policy, which was adopted on 26 February 2020.

The purpose of the Whistleblower Policy is to encourage the reporting of any instances of suspected unethical, illegal, fraudulent, or undesirable conduct involving the Company's businesses. The Company provides protections and measures so that anyone who makes a report may do so confidentially and without fear of intimidation, disadvantage, or reprisal.

The Whistleblower Protections Officers, which include any Director, Company Secretary or Auditor of Straker receives reports of material breaches of the policy, including action taken in response to breaches.

A copy of the Whistleblower Policy can be found on the Company's website.

Anti-Bribery and Corruption policy Straker has developed an Anti-Bribery and Corruption Policy, which was adopted in April 2019.

The purpose of the Anti-Bribery and Corruption Policy is to set out Straker position on matters relating to bribery and similar problematic conduct, and the responsibilities of those to whom this policy applies. It also provides guidance on how to recognise and deal with such conduct.

The Company Secretary, Chair of the Board and Chair of the Audit & Risk Committee receives reports of material breaches of the policy. A copy of the Anti-Bribery and Corruption Policy can be found on the Company's website.

Principle 4:

Safeguard integrity in corporate reports

A listed entity should have appropriate processes to verify the integrity of its corporate reporting.

Audit and Risk Committee

Straker's Audit and Risk Committee is tasked with reporting to the Board on the integrity of Straker's financial reporting process, its internal and external audit functions, and its internal control and risk management process.

In accordance with the requirements of the ASX Corporate Governance Principles and Recommendations, the Audit and Risk Committee comprises of at least three Non-Executive Director members, being Amanda Cribb, Stephen Donovan, and Linda Jenkinson.

The ASX Corporate Governance Principles recommend that the Audit and Risk Committee will be chaired by an independent Director. The Board have had regard to the skills and experience of the Board and have determined that Amanda Cribb is the most appropriate member of the Board to act as chair of the Audit and Risk Committee. The relevant qualifications and experience of the members of the Audit and Risk Committee are available in the Annual Report.

The Audit and Risk Committee Charter sets out the policies and practices of the Board regarding the financial Audit and Risk processes of Straker and is available on the Straker's website.

Declaration of Managing Director and CFO on financial statements

As a New Zealand incorporated Company, Straker is not subject to section 295A(4) of the Corporations Act 2001 (Cth) (which requires that the CEO/Managing Director and Chief Financial Officer (CFO) of a listed entity to provide certain declarations regarding the financial statements for that entity in each financial year). However, in accordance with the ASX Corporate Governance Principles and Recommendations, Straker's Managing Director and CFO provided to the Board (prior to the approval by the Board of Straker's financial statements for a financial period) a written opinion to the Board of Directors that, in their opinion:

- Straker's financial reports comply with the appropriate accounting standards;
- Straker's financial reports give a true and fair view of Straker's financial position and performance; and
- the opinion of the Managing Director and CFO has been formed on the basis of a sound system of risk management and internal control, which is operating effectively.

Periodic corporate reporting

Periodic reports are subject to approval from the Board or a Committee before release. The approval process includes confirmation from Management to the Directors that the relevant report has been reviewed and is accurate.

Principle 5:

Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Complying with Continuous Disclosure Obligations

Straker complies with the continuous disclosure obligations contained in the ASX Listing Rules. As part of these continuous disclosure obligations, where Straker becomes aware of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Straker's securities, Straker must immediately disclose that information to the market (subject to limited exceptions available under the ASX Listing Rules).

To encourage and assist compliance by the Board and its employees with these continuous disclosure obligations, the Board have developed a Continuous Disclosure Policy which is available on Straker's website. The Continuous Disclosure Policy has been developed with regard to ASX Listing Rules 3.1-3.1B and relevant ASIC regulatory guidance with respect to disclosure for investors. The Company Secretary will have primary responsibility for all relevant regulatory filings to ensure Straker's compliance with its continuous disclosure obligations.

Market Announcements

To ensure the Board has timely visibility of all information being disclosed to the market, all material announcements are circulated to the Board promptly after they have been made.

Investor and Analyst Presentations

All substantive investor or analyst presentations issued by Straker are released via the ASX Platform prior to commencement of the relevant presentation.

Principle 6:

Respect the rights of security holders

A listed entity should provide information about itself and its governance to investors via its website.

Access to information about Straker and its governance

In accordance with the ASX Corporate Governance Principles and Recommendations, Straker has an "Investors" section on its website, from which all relevant corporate governance information about Straker can be accessed by the general public. Such information includes:

- this corporate governance statement;
- Straker's constitution, Board charter and Board committee charters;
- the Straker code of conduct;
- various corporate governance policies; and
- names, photographs and summarised biographical information for each of Straker's Directors and senior executives.

Other relevant information and documents about Straker, including but not limited to copies of Straker's annual reports and financial statements, copies of Straker's announcements to the ASX, and copies of notices of meetings of shareholders (and any accompanying documents) can be accessed on relevant areas of Straker's website.

Shareholder relations

Straker has implemented a formal Shareholder Communications Policy to ensure that shareholders are provided with sufficient information to assess the performance of Straker at regular intervals and are informed of all major developments affecting the state of affairs of Straker, in accordance with applicable laws. A copy of Straker's Shareholder Communications Policy has been adopted and is available on Straker's website.

Pursuant to Straker's Shareholder Communications Policy, Straker regularly provides information to shareholders via:

- market releases to the ASX in accordance with Straker's continuous disclosure obligations;
- the investor relations section of Straker's website;
- investor webinars and podcasts;
- Straker's annual and half-yearly reports; and
- Straker's Annual Meeting.

In addition to providing shareholders with information about the Company, Straker also provides opportunities for two-way communication between shareholders and Straker by requesting that its external auditor and the relevant chairs of the various Board committees attend Straker's Annual Meeting to be available to answer any shareholder questions about the conduct of the audit and the preparation and content of the audit report, or about the activities of the various Board committees. Shareholders are encouraged to express to the relevant Straker representatives present at the Annual Meeting any matters of concern or interest to shareholders, with the understanding that these views will be communicated to the Board for consideration.

Shareholder participation at General Meetings

The Annual Meeting provides an open forum for the Board of Directors to communicate directly with Straker's shareholders. It is also an opportunity for shareholders to express views and ask questions.

Shareholders who are not able to attend the Annual Meeting and exercise their right to ask questions about or make comments on the management of Straker will be given the opportunity to provide questions or comments ahead of the Annual Meeting. Where appropriate, these questions will be considered and answered at the Annual Meeting.

Poll Resolutions

Straker's practice at all security holder meetings, is that all resolutions are decided by a poll rather than by a show of hands.

Electronic communications

Straker encourages its shareholders to receive information and communications from, and send communications to, Straker and its share registry electronically. Shareholders may elect to send and receive communications electronically by registering their email address online with Straker's share registry.

Principle 7:

Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Straker is committed to the establishment and maintenance of a sound risk management framework encompassing oversight, management, and internal control of risks within and facing Straker's business.

Audit and Risk Committee

As outlined above (see Principle 4), Straker's Audit and Risk Committee, oversees and reports to the Board of Directors on the integrity of Straker's financial reporting process and risk management process. Please see Principle 4 for further information on the membership structure and committee charter of Straker's Audit and Risk Committee.

Annual review of Straker's risk management framework

The Audit and Risk Committee, regularly reviews and discusses the major risks affecting Straker's business and develops strategies to mitigate these risks throughout the year, and reviews Straker's overall risk management framework at least annually to ensure that the framework continues to be effective and suitable to the risks involved in Straker's business.

Evaluating and improving risk management and internal control processes

While Straker does not have an internal audit function, the Board ensures that the risk management and internal control processes of Straker are regularly evaluated and the effectiveness of these processes will be continually improved through review by the Audit and Risk Committee, and by the Board.

Where it considers necessary, the Board will consider the recommendations of the external auditors and other external advisers in relation to Straker's financial reporting process and risk management framework, and appropriate action will be taken by the Board of Directors to ensure that key risks, as identified, are managed effectively.

Material exposure to risk

The Board ensures that any material exposure of Straker to economic, environmental, and social sustainability risks will be disclosed in accordance with the requirements of ASX Listing Rule 3.1.

The Board has considered the Company's exposure specifically to economic, environmental, and social sustainability risks and has determined the following:

• Economic risks

The business is exposed to general economic conditions. Specifically, material risk exists in relation to: competition and new technologies; reliance on key personnel; data loss, theft or corruption; technology platform failure; the impact of privacy laws and regulations; and country specific risks in new unfamiliar markets.

• **Cyber Risks**

Straker aims to provide its customers, as well as other stakeholders including contractors and employees, with increased cyber security precautions and greater resilience in a constantly evolving cyber security landscape. Straker makes a conscious effort to continually refine its approach towards information security, risk appetite and accountability frameworks. The Company is certified to the standards required in ISO27001 and in ISO9001. In addition, its data centres hold SOC1, SOC2 and SOC3 security certifications (Service Organisation Controls).

• **Environmental & Social sustainability risks**

Straker recognises that there is an increasing global focus on environmental and sustainable business practices. The business is continuing to explore how it may enhance its reporting on environmental and social matters in a way that would be useful to investors and other stakeholders to better understand its business operations and its environmental and social impact.

Principle 8:

Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

The Straker Board oversees executive remuneration and non-executive director remuneration arrangements. It has established the People and Culture Committee to assist it in this regard. The Committee helps to bring the focus and independent judgement needed for remuneration decisions.

The People and Culture Committee's responsibilities are set out in its Charter. Under its Charter, the Committee has unrestricted access to all staff and relevant records of the Straker Group it considers necessary to fulfil its obligations. It also has the right to seek explanations and additional information from management and auditors. The Committee Chair may directly seek independent professional advice at Straker's expense as required for the Committee to fulfil its responsibilities.

The number of times the Committee met during FY25 and the individual attendance of its members at those meetings are disclosed on page 64. Details of executive and director remuneration and Straker's remuneration policies are disclosed in the Remuneration Report on page 69 to page 74.

REMUNERATION REPORT

Chair's Letter

On behalf of the Board, I am pleased to present Straker's FY25 Remuneration Report. This report outlines our remuneration strategy and framework for our Chief Executive Officer and Directors.

To show our commitment to remuneration transparency to shareholders, Straker has committed to complete disclosure reporting beyond the requirements of New Zealand law.

Detailed in this report are the contractual entitlements of our Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer, including participation in our short- and long-term incentive plans. Further, we set out the purpose and details of our short- and long-term incentive plans, including the key metrics that determine their payout.

Remuneration Initiatives are guided by our employee remuneration policy, and they are reviewed annually. Key elements of the policy include:

- Straker is a global technology-driven company focused on innovation and growth opportunities. We compete with peers in the global translation business and other technology companies developing advanced coding, ML, AI, and User Interfaces. As such, regardless of the functional area, we must compete to attract and retain talent with a competitive EVP (employee value proposition).
- The overall EVP and accompanying policies are the responsibility of the Chief People Officer and the CEO of Straker. Strategy, Policy, and Reporting Governance are overseen by the Board People & Culture Committee and approved by the Straker Board.
- As a global company, Straker has employees situated in multiple markets around the world. While our employment principles are global, country-specific variances will exist to meet the local market conditions, cost-of-living, competitive pressures, local practices, and legislated requirements.
- Employee benefits must be aligned to individual performance, company performance, and shareholder outcomes.
- We will undertake peer benchmarking annually to ensure we are following best practice and remain broadly competitive (Base/STI/LTI) in key senior management, executive roles, and board roles.
- As a general rule, we aim to be in the 80-100 percentile range of the (country-specific) weighted average of comparable roles across a full TEC (total employment cost) bundle. Where a role falls outside

this range (high or low), it may not be possible to create alignment in a twelve-month cycle due to financial and other constraints. We target to achieve policy alignment over a maximum three-year period.

- Straker aims to pay all employees equitably. There will be variances across comparable roles due to tenure and external recruitment market changes, but these should not be gender-based nor reflective of any other type of bias. In advance of the annual review process, we will audit comparable internal roles to ensure no material bias or disparities (other than market comparisons, objective performance-based assessments, and regional variances) exist in pay levels across our employees.
- Employee benefits will also consider appropriate separation, severance, and notice periods to ensure all aspects of the employee lifetime relationship are appropriately managed for the benefit of employees, the company, and shareholders.

It is important to note that a review was undertaken during the year on equitability including gender and other factors. No material discrepancies were highlighted.

Each Executive role was benchmarked using two different data sources and across multiple comparable companies. This information was used in the annual review process.

Board Fees were also reviewed during the year and, as with last year, no changes were recommended to base fees.

The only exception to note is the options scheme put in place for the new Chair. Early in the financial year, Heith McKay Cruise completed his tenure as Chair and Linda Jenkinson joined Straker. A one-off options scheme was put in place to attract and incentivise Ms. Jenkinson. This options scheme was tabled and approved at the 2024 AGM.

Further details on key aspects of our remuneration policies, strategy, and approach are included in the report below.

Steven Bayliss

Chair, People & Culture Committee

Disclosures: The Remuneration Report is not intended to fully replicate the statutory disclosure requirements of an Australian company's remuneration report, as these requirements do not apply to Straker. However, the information provided goes beyond New Zealand requirements to provide greater transparency and insight into our remuneration practices.

Remuneration Framework

Our remuneration strategy is designed to balance short- and long-term remuneration of our senior executives with the performance of the Company via a robust pay-for-performance framework. The key principles of this framework are set out in the table below.

	Description	Purpose
Fixed Remuneration	<ul style="list-style-type: none"> • Base Salary • KiwiSaver • Benefits • Straker aims to position fixed remuneration between the 80 and 100 percentiles of the relevant market. 	<ul style="list-style-type: none"> • Market competitive reward for day job duties. • Reflects skills, experience, and performance.
Short Term Incentive	<ul style="list-style-type: none"> • At-risk annual cash bonus based on performance against a scorecard of agreed company measures and individual objectives. 	<ul style="list-style-type: none"> • Rewards execution of key short-term company objectives and individual behaviours.
Long Term Incentive (Employee Share Option Plan)	<ul style="list-style-type: none"> • At-risk options. • Delivered on an ad hoc basis in a manner that ensures continued and sufficient alignment to Company share price. 	<ul style="list-style-type: none"> • Rewards execution of key long-term company growth and operational milestones. • Promotion of sustained shareholder value creation.

Short Term Incentive Goals and Achievement

STI participation rates were reviewed across the Executive and benchmarked across peer group companies. The CEO remains at 50% of base in available STI based on all measures being hit. Other members of the Executive Team were aligned at 25% of base – previously a mix of 20-25%.

Our FY26 STI framework has been refined versus FY25 to reflect the criticality of our strategic transition towards AI-led products and revenue growth.

FY25 STI achievement was equally weighted between overall revenue, PaaS ARR, EBITDA, and Quarterly Cash flow Positive. For FY26, PaaS ARR has been replaced by AI Product Revenue. This includes key products – SwiftBridge and Verify – as well as associated token revenue and monetisation of the Tiri Language Models. The incentive weighting on AI Product Revenue has been increased to represent 40% of the total available incentive.

Measure	Rationale
Overall Revenue versus Target – 20%	Immediate indicator of financial stability and customer health.
AI Revenue versus Target – 40%	Lead indicator of strategic transformation and future growth.
EBITDA versus Target – 20%	Business sustainability and shareholder value creation.
Quarterly Cash flow Positive – 20%	Everyday scrutiny on revenue, revenue collection (debtors), and cost management.

In FY25, the bonus outcomes for Executives were partially achieved. While overall revenue and PaaS revenue targets were missed - resulting in no payout for that portion of the bonus - positive cash flow was achieved in three quarters, and EBITDA goals were exceeded. The total payout to Executives represented 43.75% of the maximum available.

Grant Straker

Managing Director & Chief Executive Officer – contractual entitlements

Details		
Base Salary FY25	NZ\$450,000 KiwiSaver entitlements are paid in addition to Base Salary.	
Short Term Incentive	Plan	Short-Term Incentive Plan
	Target Opportunity	50% of Base Salary
	Frequency	Annual.
	Performance Measures	Overall Revenue versus Target AI Revenue versus Target EBITDA versus Target Quarterly Cash flow Positive
	Target Setting	Determined annually by the Board.
	Vehicle	Cash flow portion paid quarterly. Other measures paid following the conclusion of each financial year.
	Forfeiture	Subject to continued employment to the payment date and Straker malus and clawback policies.
Long Term Incentive	Plan	Employee Share Option Plan
	Opportunity	Awarded on an ad-hoc basis as determined by the Board.
	Performance Measures	Inbuilt share price targets as determined by the Board.
	Performance Period	Determined by the Board.
	Forfeiture	Unvested options are subject to continued employment.
Notice Period	6 months.	
Base Salary FY26	NZ\$450,000	

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Merryn Straker

Chief Operating Officer – contractual entitlements

Details		
Base Salary FY25	NZ\$320,000 KiwiSaver entitlements are paid in addition to Base Salary.	
Short Term Incentive	Plan	Short-Term Incentive Plan
	Target Opportunity	25% of Base Salary
	Frequency	Annual.
	Performance Measures	Overall Revenue versus Target AI Revenue versus Target EBITDA versus Target Quarterly Cash flow Positive
	Target Setting	Determined annually by the Board.
	Vehicle	Cash flow portion paid quarterly. Other measures paid following the conclusion of each financial year.
	Forfeiture	Subject to continued employment to the payment date and Straker malus and clawback policies.
Long Term Incentive	Plan	Employee Share Option Plan
	Opportunity	Awarded on an ad-hoc basis as determined by the Board.
	Performance Measures	Inbuilt share price targets as determined by the Board.
	Performance Period	Determined by the Board.
	Forfeiture	Unvested options are subject to continued employment.
Notice Period	3 months.	
Base Salary FY26	NZ\$330,000 Adjustment based on a 3.1% increase which is in line with the company average, and the COO is 101st percentile of target peers.	

David Ingram

Chief Financial Officer – contractual entitlements

Details		
Base Salary FY25	NZ\$335,000 KiwiSaver entitlements are paid in addition to Base Salary.	
Short Term Incentive	Plan	Short-Term Incentive Plan
	Target Opportunity	25% of Base Salary
	Frequency	Annual.
	Performance Measures	Overall Revenue versus Target AI Revenue versus Target EBITDA versus Target Quarterly Cash flow Positive
	Target Setting	Determined annually by the Board.
	Vehicle	Cash flow portion paid quarterly. Other measures paid following the conclusion of each financial year.
	Forfeiture	Subject to continued employment to the payment date and Straker malus and clawback policies.
Long Term Incentive	Plan	Employee Share Option Plan
	Opportunity	Awarded on an ad-hoc basis as determined by the Board.
	Performance Measures	Inbuilt share price targets as determined by the Board.
	Performance Period	Determined by the Board.
	Forfeiture	Unvested options are subject to continued employment.
Notice Period	3 months.	
Base Salary FY26	NZ\$360,000 Adjustment based on External Benchmarking to move the CFO to the 89th percentile of target peers. The increase also reflected increased duties in taking on the Company Secretary role – previously with a paid external provider.	

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Minimum Shareholding Requirements - Board

To strengthen alignment between shareholders and the Straker Board, each Director is required to hold a minimum of 100% of their pre-tax fees in Straker shares within 3 years of their appointment to the Board.

All Directors who have reached the three-year mark have met their required shareholding levels, while two recently appointed Directors are progressing toward meeting this obligation within the required timeframe.

Non-executive Director Fees

Director fees were reviewed as part of the annual REM review cycle. As with last year, no increases have been approved for Director Fees for FY26. As such, the table below is unchanged between FY24, FY25, and FY26.

Role	Fee
Chair	A\$130,000
Board	A\$70,000
Audit & Risk Committee (ARC) Chair	A\$15,000
Audit & Risk Committee Member	-
People & Culture Committee (PCC) Chair	A\$15,000
People & Culture Committee Member	-
Aggregate Fee Pool	A\$600,000

Name	Chair Fee	Base Fee	Chair of ARC	Chair of PCC	Total
Heith McKay-Cruise	A\$32,500				A\$32,500
Linda Jenkins	A\$97,500				A\$97,500
Amanda Cribb		A\$70,000	A\$15,000		A\$85,000
Steve Bayliss		A\$70,000		A\$15,000	A\$85,000
James Johnstone		A\$70,000			A\$70,000
Steve Donovan		A\$70,000			A\$70,000

All director fees set out above are inclusive of superannuation entitlements.

STATUTORY INFORMATION

As required under s(211) of the Companies Act 1993, the Company and Group disclose the following statutory information.

Entries made into the Companies Interest Register

Director	Interest	% of Ordinary Shares Owned 31 March 2025	% of Ordinary Shares Owned 31 March 2024
Amanda Cribb	Ordinary Shares	0.10%	0.10%
Grant Straker	Ordinary Shares	9.51%	9.45%
Linda Jenkinson	Ordinary Shares	0.00%	Not a director
James Johnstone	Ordinary Shares	0.08%	0.06%
Stephen Donovan	Ordinary Shares	2.57%	2.51%
Steven Bayliss	Ordinary Shares	0.14%	0.14%

During the current year, Stephen Donovan acquired 40,000 ordinary shares, Grant Straker acquired 36,825 ordinary shares, and James Johnstone acquired 11,446 ordinary shares.

Directors' remuneration for the current and prior year is disclosed in Note 20 of the financial statements for the year ended 31 March 2025.

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ADDITIONAL DISCLOSURES

Number of Employees or Ex-Employees, excluding Directors, who received benefits exceeding \$100,000 during the year:

	2025	2024
\$100,001 to \$110,000	4	7
\$110,001 to \$120,000	8	3
\$120,001 to \$130,000	3	8
\$130,001 to \$140,000	7	2
\$140,001 to \$150,000	7	4
\$150,001 to \$160,000	-	3
\$160,001 to \$170,000	3	5
\$170,001 to \$180,000	4	2
\$180,001 to \$190,000	2	1
\$190,001 to \$200,000	1	3
\$200,001 to \$210,000	1	4
\$210,001 to \$220,000	2	1
\$230,001 to \$240,000	1	2
\$250,001 to \$260,000	-	1
\$260,001 to \$270,000	2	3
\$270,001 to \$280,000	1	-
\$290,001 to \$300,000	1	-
\$320,001 to \$330,000	-	2
\$360,001 to \$370,000	2	2
\$370,001 to \$380,000	1	2
\$460,001 to \$470,000	-	1
\$480,001 to \$490,000	1	-
\$560,001 to \$570,000	1	-

Auditor's Remuneration

Fees payable to the Group auditor, and its affiliates, for assurance and non-assurance services are disclosed in Note 6 of the financial statements for the year ended 31 March 2025.

Donations

The Group made donations during the year of \$nil (2024: nil).

Equity holding of all Directors

Director	Number of shares	Number of options
Non-executive Directors		
Amanda Cribb	64,298	-
James Johnstone	51,446	-
Linda Jenkinson	-	300,000
Stephen Donovan	1,655,830	16,667
Steven Bayliss	90,000	-
Executive Directors		
Grant Straker	6,121,449	954,710

Since balance date, Helen Foley, was appointed as a director on 1 May 2025. As at the date of this report, she held 18,233 ordinary shares in the company.

Entries recorded in the interests register

Straker maintains an interests register in accordance with the Companies Act 1993 (New Zealand).

Directors' Interests

Directors disclosed the following relevant interests, or cessations of interest, during FY25.

Director / Entity	Relationship
Amanda Cribb	
Brewwell Ltd	ceased to be director
Redshield Security Ltd	CFO
Grant Straker	
Aspire NZ Seed Fund Ltd	director
Bonspiel Technology Ltd	director and shareholder
Linda Jenkinson	
Harbour Asset Management	director / ceased to be a director
Massey Foundation - US	director
Medadvisor Ltd	director
Mevo Ltd	director
Te Auaha Ltd	shareholder and managing director
Vast Holdings, Inc	director and CEO
Vinyl Group Ltd	director
James Johnstone	
Dash Technology Group Ltd	director
Hairmop Pty Ltd	board observer
Stephen Donovan	
Buro Seating Ltd and Buro LP	ceased to be director/partner
Steven Bayliss	
Brewwell Ltd	ceased to be director
Just Life Group Ltd	ceased to be director
Jennian Homes Ltd	strategic advisory
Kind Face Ltd	advisory board member

Share dealing of Directors

Directors disclosed the following acquisitions or disposals of relevant interests in Straker shares during the year. All dollar figures in this table are in Australian dollars.

Director	Date of acquisition/ (disposal)	Consideration per share	Number of shares acquired/ (disposed)
James Johnstone	26 August 2024	0.4300	255
James Johnstone	29 August 2024	0.4450	8,809
James Johnstone	29 August 2024	0.4400	2,382
Stephen Donovan	13 August 2024	0.3711	40,000
Grant Straker	12 August 2024	0.3900	3,000
Grant Straker	12 August 2024	0.4000	8,825
Grant Straker	13 August 2024	0.4283	25,000

Insurance

In accordance with the Companies Act 1993 (New Zealand), Straker has continued to insure its directors and officers (through renewal of its D&O insurance policy) against potential liability or costs incurred in any proceeding, except to the extent prohibited by law.

Remuneration disclosures

Information about non-executive and executive directors remuneration is provided on page 56 of this report. The total remuneration available to non-executive directors is fixed by shareholders. Currently, the annual total aggregate non-executive directors' remuneration is capped at AUD 600,000 as approved by shareholders at the Annual General Meeting in September 2018.

Information regarding employee remuneration exceeding \$100,000 per annum is presented on page 76 of this report.

Shareholder information

The shareholder information set out below is current at 31 March 2025.

Issued capital

The total number of issued ordinary shares in Straker Limited as at 31 March 2025 was 64,339,299.

Distribution of shareholding

Range	Number of Holders	%	Ordinary Shares	%
1 to 1,000	243	26.21	123,567	0.19
1,001 to 5,000	304	32.79	838,239	1.30
5,001 to 10,000	126	13.59	940,245	1.46
10,001 to 100,000	199	21.47	6,699,546	10.41
100,001 and over	55	5.94	55,737,702	86.64
Total	927	100.00	64,339,299	100.00

Un-marketable share parcels

Range	Number of Holders	%	Ordinary Shares	%
< AUD\$500	247	26.65	127,664	0.20

Distribution of share options

Range	Number of Holders	%	Ordinary Shares	%
1 to 10,000	2	5.13	18,778	0.35
10,001 to 100,000	27	69.23	1,066,595	19.63
100,001 and over	10	25.64	4,348,117	80.02
Total	39	100.00	5,433,490	100.00

Options

There were 38 individuals holding a total of 4,496,212 unlisted options.

Substantial holdings and limitations on the acquisition of securities

Straker is a New Zealand incorporated and domiciled company listed on the Australian Securities Exchange (ASX). From a regulatory perspective, this means that while the ASX Listing Rules apply to Straker, certain provisions of the Australian Corporations Act 2001 (Cth) do not. Straker is not subject to chapters 6, 6A, 6B, and 6C of the Australian Corporations Act 2001 (Cth) dealing with the acquisition of its shares (including substantial holdings and takeovers). The Companies Act 1993 (New Zealand) applies to Straker, while certain provisions of the Financial Markets Conduct Act 2013 (New Zealand) do not.

There is no requirement on Straker's substantial shareholders to provide substantial holder notices to Straker. Straker is aware of the following substantial shareholders with a holding of 5% or greater:

Name	Number of ordinary shares held	% of total issued capital
S Ward	11,458,330	17.81
Bailador Technology Investments Limited	9,160,354	14.24
Clime Asset Management Limited	6,623,256	10.29
A Hunter & M Straker & G Straker	6,121,449	9.51
M Gregg & S Gregg	4,297,225	6.68
Total substantial shareholders	37,660,614	58.53

Key limitations on the acquisition of shares in Straker are imposed by the following legislation: Commerce Act 1986, Overseas Investment Act 2005 and Takeovers Act 1993, together with various regulations and codes promulgated under such legislation.

Top 20 Holders

The names of the 20 largest holders of Straker's ordinary shares are set out below

Name	Number of ordinary shares held	% of total issued capital
S Ward	11,458,330	17.81
Bailador Technology Investments Limited	9,160,354	14.24
Clime Asset Management Limited	6,623,256	10.29
A Hunter & M Straker & G Straker	6,121,449	9.51
M Gregg & S Gregg	4,297,225	6.68
Australian Ethical Investment Limited	2,190,116	3.40
S Donovan	1,533,870	2.38
Investius	1,379,468	2.14
Accident Compensation Corp	1,237,603	1.92
Lingotek Inc	989,022	1.54
D Sowerby	918,810	1.43
G Elhage	676,000	1.05
L Morgan	588,392	0.91
D Granger & P Elliott	515,368	0.80
D Straker	400,845	0.62
C Pearson	399,245	0.62
Private Clients of Interactive Brokers	389,960	0.61
I Nagpal	380,000	0.59
R Howe	330,000	0.51
Private Clients of Forsyth Barr	311,147	0.48
Top 20 holders of ordinary fully paid shares (total)	49,900,460	77.56
Other shareholders (balance on register)	14,438,839	22.44
Grand total	64,339,299	100.00

Voting rights

Straker has a single class of ordinary shares on issue. Where voting at a meeting of shareholders is by voice or a show of hands, every shareholder present in person, or by representative, has one vote. On a poll, every shareholder present in person, or by representative, has one vote for each fully paid ordinary share. In practice, Straker ensures that all resolutions at shareholder meetings are decided by poll rather than a show of hands.

Share options carry no voting rights until they are fully exercised and converted into actual shares.

On market buy-back

There is no current on-market buy-back for Straker shares.

Restricted ordinary shares

There were no restricted ordinary shares as at 31 March 2025.

Consolidated entity disclosure statement

Entity	Entity Type	Country of Incorporation	Ownership Interest %	Tax Residency
Straker Limited	Body corporate	New Zealand	100%	New Zealand
ComTranslations Inc.	Body corporate	United States of America	100%	United States of America
Elanex Inc.	Body corporate	United States of America	100%	United States of America
Eurotext Translations Limited	Body corporate	Ireland	100%	Ireland
IDEST Communication SA	Body corporate	Belgium	100%	Belgium
New Zealand Translations Centre Limited	Body corporate	New Zealand	100%	New Zealand
Straker Europe Limited	Body corporate	Ireland	100%	Ireland
Straker Germany GmbH	Body corporate	Germany	100%	Germany
Straker Japan KK	Body corporate	Japan	100%	Japan
Straker Lingotek LLC	Body corporate	United States of America	100%	United States of America
Straker Spain SL	Body corporate	Spain	100%	Spain
Straker Translations Australia Pty Limited	Body corporate	Australia	100%	Australia
Straker Translations Inc.	Body corporate	United States of America	100%	United States of America

Matters of circumstance arisen since year end

There have been no material matters of circumstance that have arisen since year end.

Environment issues

The Group is not affected by any significant environmental regulation in respect of its operations

DIRECTORY

Company Numbers New Zealand 1008867
Australia 628 707 399

Registered office New Zealand Level 2,
49 Parkway Drive
Rosedale, Auckland 0632

Australia
C/O Boardroom Pty Limited
Level 12
225 George Street
Sydney, NSW 2000

**Head Office Address and
Principal Place of Business** Level 2,
49 Parkway Drive
Rosedale Auckland 0632 New Zealand

Directors Linda Jenkinson (Chair)

Grant Straker
(Managing Director and Chief Executive Officer)

Stephen Donovan

Helen Foley

Amanda Cribb

Steven Bayliss

Independent Auditor BDO, Auckland

Share Registrar MUFG Corporate Markets (AU) Limited
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Stock Exchange Straker's shares are listed on the Australian
Securities Exchange (ASX code: STG)

Company website www.straker.ai

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