

ASX Announcement

Straker Limited (ASX: STG) – Extension and Expansion of IBM Partnership

Auckland, New Zealand – October 30, 2025 – Straker Limited (ASX: STG), a global leader in AI-powered translation solutions, is pleased to announce the renewal and expansion of its strategic partnership with International Business Machines Corporation (IBM) (NYSE: IBM).

Agreement Renewal – 3-Year Extension

IBM has renewed its existing agreement with Straker for a further three years, effective 1st January 2026. IBM holds the option to extend the agreement for an additional one-year term beyond the initial three years.

The expected contract value is approximately NZ\$28 (US\$16.1) million over the initial three-year term, based on anticipated volumes. Revenue under the agreement will continue to be based on customer usage and therefore may vary from period to period.

The renewal reinforces the strength of the relationship between Straker and IBM. Following Straker's appointment as Strategic Translation Service Provider to IBM commencing January 2021 IBM exercised its option in November 2022 to extend that agreement for a further three years. The latest renewal, out to December 2028 provides Straker with continued revenue visibility over the initial three-year term, subject to volumes processed. The agreement also provides IBM with the right to terminate on 90 days' notice.

While the core terms of the agreement remain consistent with the prior agreement, the renewal includes an accelerated focus on deploying Straker's AI-driven solutions across IBM's global operations where there are already 10,000 users using Straker's AI driven Slack translation application.

A significant portion of the agreement will move to AI token billing further driving Straker's AI revenue.

Expanded Strategic Partnership

Straker's collaboration with IBM has broadened beyond localisation services, with Straker now recognised as part of the IBM Ecosystem Partner network. The relationship will be primarily managed through IBM Japan, further strengthening Straker's integration within IBM's innovation and technology ecosystem.

Joint Development of Small Language Models

A key focus of the expanded partnership is the joint development of customised small language models. These are being built on IBM Cloud using IBM's watsonx AI technology and Straker's proprietary Tiri platform. Together, Straker and IBM are advancing model development, training, and deployment.

Straker (STG)
NZ Company no. 1008867
ARBN: 628 707 399

Registered Address
Level 2, 49 Parkway Drive
Rosedale, Auckland 0632

www.straker.ai
investors@straker.ai

Early results are highly encouraging, with the jointly developed models already demonstrating superior performance against industry benchmarks. This validates both the commercial value of specialised small language models and the broader opportunities for collaboration in enterprise AI beyond translation.

CEO Comment

Grant Straker, CEO of Straker, said:

“IBM has been a cornerstone customer for Straker since 2021. Its decision to yet again extend our relationship with a renewal for a further three years and expand the scope of the partnership provides both validation of our strategy and a strong foundation for future growth. Together, we are not only transforming translation services with AI-powered solutions but also opening the door to broader enterprise AI opportunities. Our partnership with IBM is expanding from service delivery into co-innovation, strengthening our position at the intersection of language and AI. For Straker, this renewal reinforces our strategic transition toward a business model underpinned by AI-driven revenue and innovation.”

Disclosure Statement

Straker confirms this announcement contains all material information relevant to assessing the impact of the contract and is not misleading by omission.

Authorisation

This announcement has been authorised for release by the Board of Straker Limited.

Corporate:

Grant Straker, CEO & Co-Founder
E: grant@straker.ai
P: +64 21 512 484

Investors:

Ben Henri
E: ben.henri@mcpartners.com.au
P: +61 473 246 040

David Ingram, CFO

E: david.ingram@straker.ai
P: +64 21 591 984

About Straker

Straker provides next generation language services supported by a state-of-the-art technology stack and robust AI layer to clients around the world. By combining the latest available technologies with linguistic expertise, Straker’s solutions are scalable, cost-effective, and accurate. Through technical innovation and data analytics, Straker is a proven partner in future-proofing global communications.

For more information visit: www.straker.ai

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