

ASX RELEASE

2 June 2021

Fully underwritten equity raising to raise A\$20 million Straker Translations Limited (ASX: STG)

Highlights

- Fully underwritten placement to institutional, professional and sophisticated investors and accelerated non-renounceable entitlement offer to raise A\$20 million
- New shares to be issued at A\$1.90 per share, representing an 18.5% discount to the last closing price of \$2.33, a 12.2% discount to the 5-day VWAP¹ and a 15.9% discount to TERP²
- Proceeds from the equity raising will be used to accelerate Straker's growth strategies, pay down debt and pay offer costs

Equity Raising

Straker Translations Limited (**ASX: STG**) (**Company**) is pleased to announce it is undertaking a fully underwritten equity raising to raise approximately A\$20 million comprising a placement to institutional, professional and sophisticated investors to raise A\$10 million (**Placement**), and a 1 for 10.32 accelerated non-renounceable entitlement offer to raise A\$10 million (**Entitlement Offer**). The Offer will be conducted at an issue price of \$1.90 (**Offer Price**) per new ordinary share (**New Share**) (**Equity Raising**).

The Offer Price represents:

- an 18.5% discount to the last closing price of the Company's shares on 1 June 2021 (being \$2.33);
- a 12.2% discount to the 5-day VWAP for the period ending on 1 June 2021 (being \$2.17); and
- a 15.9% discount to the theoretical ex-rights price (TERP) of A\$2.26 per share.

The Offer structure provides an opportunity for all eligible Straker shareholders to participate in the Entitlement Offer on a pro-rata basis. Eligible shareholders will be able to subscribe for one New Share for every 10.32 existing shares held at 7.00pm (AEST) on Friday, 4 June 2021 (**Record Date**) at the Offer Price (**Entitlements**). Eligible new institutional, professional and sophisticated investors also have the opportunity to subscribe for new shares through the Placement.

The Company expects to issue approximately 5.3 million New Shares in the Placement and approximately 5.3 million New Shares in total under the Entitlement Offer. Shares issued under the Entitlement Offer will rank equally with existing shares.³

¹ The Volume Weighted Average Price ("VWAP") for the period of five trading days ending on Tuesday, 1 June 2021 (being \$2.17).

² The theoretical ex rights price ("TERP") is the theoretical price at which STG shares should trade at immediately after the ex-date for the Entitlement Offer. It is a theoretical calculation only and the actual price at which STG shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is based on the Entitlement Offer shares only and is calculated by reference to STG's closing price of \$2.33 on Tuesday, 1 June 2021.

³ Existing option holders need to exercise their options and be a registered retail holder of shares on the Record Date if they wish to participate in the Entitlement Offer.

The proceeds of the Equity Raising will be used to accelerate Straker's key growth strategies, pay down debt raised to acquire LingoTek in February 2021, and pay offer costs. Refer to the investor presentation released to the ASX on Wednesday, 2 June 2021 for further information regarding the Equity Raising and Straker's growth strategies.

Ord Minnett Limited and Bell Potter Securities Limited have been appointed as joint lead managers and underwriters in respect of the Equity Raising (**Joint Lead Managers**).

Bailador Technology Investments Limited (**Bailador**) has agreed to sub-underwrite any shortfall arising from the Retail Entitlement Offer up to the value of approximately \$5.1 million, in addition to taking up its full pro-rata entitlement in the Entitlement Offer.⁴ Bailador presently has a relevant interest of 11.8% in the Company. Paul Wilson, a director of Straker, is also a director of Bailador. The impact of this sub-underwriting on Bailador's shareholding in the Company will depend on the extent to which Eligible Shareholders take up their Entitlements under the Entitlement Offer, and the extent to which any shortfall is able to be allocated to other investors, however Bailador's relevant interest in Straker will not exceed 19.99% following completion of the Equity Raising. If the underwriting agreement with the Underwriters is terminated, Bailador's sub-underwriting arrangements will also be terminated.⁵

Entitlement Offer details

The Entitlement Offer has two components:

- an accelerated component (**Institutional Entitlement Offer**) which will be made to eligible institutional, professional and sophisticated shareholders as determined by the Company and the Joint Lead Managers (**Eligible Institutional Offer Shareholders**); and
- a non-accelerated component (**Retail Entitlement Offer**) which will be made to remaining eligible institutional, professional or sophisticated shareholders and retail shareholders (who were not determined to be Eligible Institutional Offer Shareholders entitled to participate in the Institutional Entitlement Offer) (**Eligible Retail Shareholders**).

The Retail Entitlement Offer will be conducted at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will be open from Wednesday, 9 June 2021, to eligible retail shareholders with a registered address in Australia or New Zealand, as at the Record Date and is expected to close at 5.00pm (Sydney time) on Monday, 21 June 2021.⁶

The Company will offer the shares under the Entitlement Offer for issue without disclosure to investors under section 708AA(2)(f) *Corporations Act 2001* (**Corporations Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (**Instrument 2016/84**).

The Company will notify shareholders as to whether they are eligible to participate in the Retail Entitlement Offer. An information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Retail Entitlement Offer will be sent to Eligible Retail Shareholders on or about Wednesday, 9 June 2021, with a copy lodged with ASX. The Company will also notify those shareholders who it determines to be ineligible shareholders.

⁴ Bailador will not receive any fee for its sub-underwriting commitment.

⁵ Any shares issued to the Underwriters and sub underwriters, including Bailador, will be issued pursuant to ASX Listing Rule 10.12 (Exception 2) and accordingly, Shareholder approval is not required for the issue of any new shares under the shortfall.

⁶ No top up facility will be offered under the Entitlement Offer.

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value in respect of those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value in respect of the Entitlements they would have received had they been eligible.

Key dates

Activity	Date
Trading halt and announcement of Entitlement Offer	Wednesday, 2 June 2021
Placement and Institutional Entitlement Offer conducted	Wednesday, 2 June 2021 to Thursday, 3 June 2021
Announcement of the completion of Placement and Institutional Entitlement Offer and trading resumes on an ex-entitlement basis	Friday, 4 June 2021
Record Date for Entitlement Offer (7pm AEST)	Friday, 4 June 2021
Information Booklet and Entitlement & Acceptance Form despatched to Eligible Retail Shareholders	Wednesday, 9 June 2021
Retail Entitlement Offer opens	Wednesday, 9 June 2021
Settlement of Placement and Institutional Entitlement Offer	Friday, 11 June 2021
Allotment and issue of New Shares under the Institutional Entitlement Offer	Tuesday, 15 June 2021
Quotation of New Shares issued under the Institutional Entitlement Offer and trading commences on a normal basis	Wednesday, 16 June 2021
Last date to extend the closing date for the Retail Entitlement Offer	Wednesday, 16 June 2021
Closing date for acceptances under Retail Entitlement Offer (5pm AEST)	Monday, 21 June 2021
Announcement of results of Retail Entitlement Offer and notification of any shortfall	Thursday, 24 June 2021
Settlement of Retail Entitlement Offer	Friday, 25 June 2021
Allotment and issue of New Shares under the Retail Entitlement Offer (including application for quotation of New Shares)	Monday, 28 June 2021
Quotation of New Shares issued under the Retail Entitlement Offer and trading commences on a normal basis	Tuesday, 29 June 2021
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Wednesday, 30 June 2021

This Timetable is indicative only and subject to change. The Directors may vary these dates, subject to the Listing Rules. Any variation or extension to the timetable may delay the anticipated date for issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Equity Raising any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

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

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investors@strakertranslations.com

Further information

Further details of the Offer are set out in the Investor Presentation also lodged on the ASX today. The Investor Presentation contains important information including key risks and foreign offer restrictions with respect to the Offer. For other questions, you should consult your broker, solicitor, accountant, tax adviser, financial adviser, or other professional adviser.

You are invited to a Zoom webinar.

When: Jun 2, 2021 10:30 AM Sydney, Australia

Topic: Straker Capital Raise

Register in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_3uVOoDzVTouc5Y912Elmw

After registering, you will receive a confirmation email containing information about joining the webinar.

For further information, please contact the Straker Offer Information Line on 1300 365 790 (from within Australia) or +61 1300 365 790 (from outside Australia) between 8:30am to 5:30pm (AEST) Monday to Friday during the offer period. Alternatively, consult your professional adviser.

This announcement has been approved for release to the ASX by the Board of Straker Translations Limited.

Important information

This announcement is not financial product, legal, tax or investment advice and has not taken into account your objectives, financial situation or needs. You should seek appropriate professional advice before making any investment decision.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

This document may not be distributed or released in the United States.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative thereof or comparable terminology. Any forecasts or other forward-looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. The Company does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

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