

ASX announcement

2 June 2021

**Section 708AA(2)(f) cleansing notice – issue of shares under Entitlement Offer
Straker Translations Limited (ASX: STG)**

This notice is given by Straker Translations Limited (**ASX: STG**) (**Straker** or the **Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) as notionally modified by Australian Securities and Investment Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**Legislative Instruments**). Where applicable, references in this notice to sections of the Act are to those sections as modified by the Legislative Instruments.

The Company has today announced a fully underwritten non-renounceable accelerated entitlement offer (**Entitlement Offer**) of one fully paid ordinary share in STG (**New Shares**) for every 10.32 fully paid ordinary shares in STG held as at 7.00pm (AEST) on Friday, 4 June 2021 by shareholders with a registered address in Australia and New Zealand to raise approximately \$10 million. The Company also announced a fully underwritten placement to raise approximately \$10 million (**Placement**).

Further details regarding the Entitlement Offer are set out in the investor presentation that has been lodged with the ASX today and the information booklet that the Company expects to release and despatch to Eligible Retail Shareholders on or about Wednesday, 9 June 2021 (**Information Booklet**).

As required by section 708AA(7) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Company gives the following notice:

- (a) the New Shares are being issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is given under section 708AA(2)(f) of the Corporations Act;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in section 708AA(8) and 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7) of the Act;
- (e) the potential effect that the issue of New Shares will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including the level of participation of Eligible Shareholders taking up their Entitlements and applying for shares, the number of shares held by ineligible shareholders and the underwriting and sub-underwriting arrangements in place for the Entitlement Offer; and
- (f) the potential effect of the issue of New Shares under the Entitlement Offer on the control of the Company is as follows:
 - (i) if all eligible shareholders take up their entitlement to New Shares, the Entitlement Offer will have limited effect on the control of the Company as the only change in percentage holdings in Company would arise from the ineligibility for some shareholders to participate in the Entitlement Offer. Most shareholders will however be diluted on the issue of shares under the Placement;

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- (ii) to the extent that any eligible shareholder fails to take up their entitlement for New Shares under the Entitlement Offer, that shareholder's percentage holdings in the Company will be diluted by those other eligible shareholders who take up some or all of their entitlement;¹
- (iii) the Entitlement Offer is fully underwritten by joint lead managers, Ord Minnett Limited and Bell Potter Securities Limited (**Underwriters**). Having regard to the number of shares to be issued under the Entitlement Offer (being 5,265,006 shares), the Company is of the view that, even if a substantial shortfall eventuated, neither an Underwriter nor any sub-underwriter would be in a position to exercise any substantive control in the Company, and no shareholder, Underwriter or sub-underwriter will individually obtain or exceed voting power of 20% or more, as a result of the Entitlement Offer; and
- (iv) Bailador Technology Investments Limited (**Bailador**) has agreed to sub-underwrite any shortfall arising from the retail component of the 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.² Paul Wilson, a director of Straker, is also a director of Bailador. Based on the last substantial holding notice issued by Bailador, Bailador presently holds 6,404,201 shares in Straker giving it a relevant interest in 11.8% of the Company's issued shares at the date of this notice. If the full amount of its sub-underwriting commitment was allocated, in addition to taking up its full pro-rata entitlement in the Entitlement Offer, Bailador's interest may increase to 14.94%. If the underwriting agreement with the Underwriters is terminated, Bailador's sub underwriting arrangements will also be terminated.³ Given the structure of the Entitlement Offer as a fully underwritten pro-rata issue and the current level of substantial holdings (based on substantial holding notices that have been lodged on or prior to the date of this notice), the Entitlement Offer is not expected to have a material consequence on the control of Straker.

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

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.

¹ No top-up facility will be offered under the Entitlement Offer.

² Bailador will not receive any fee for its sub-underwriting commitment.

³ 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.