

Straker Ltd (STG): FY 25 Presentation

"To harness the power of human insight and artificial intelligence to drive unparalleled productivity."

27 May 2025

Grant Straker
Co-founder and CEO

FY25 Presentation



Disclosure statement

This presentation is given on behalf of Straker Limited (Straker) (ASX:STG) (Company number NZ 100 8867, ARBN 628 707 399)

Information in this presentation:

- is for general information purposes only, and is not an offer or invitation for subscription, or purchase of, or a recommendation to invest in, Straker securities
- should be read in conjunction with, and is subject to, Straker's latest and prior interim and annual reports, including Straker's Annual Report for the period ended 31 March 2025, and Straker's market releases on the ASX
- includes forward-looking statements about Straker and the environment in which Straker operates, which are subject to uncertainties and contingencies outside of Straker's control - Straker's actual results or performance may differ materially from these statements
- includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance
- may contain information from third parties believed to be reliable, but no representations or warranties are made as to the accuracy or completeness of such information
- includes Non-GAAP measures as we believe they provide useful information for readers to assist in understanding Straker's financial performance. Non-GAAP financial measures do not have a standardised meaning and should not be viewed in isolation or considered as substitutes for measures reported in accordance with NZ IFRS. These measures have not been independently audited or reviewed

All information in this presentation is current at 31 March 2025, unless otherwise stated.

All currency amounts are in NZ dollars, unless otherwise stated.

Due to rounding, numbers in this presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

FY25 refers to the financial year 1 April 2024 to 31 March 2025.

Agenda

1. Highlights
2. Management Objectives FY25
3. Solid Financial Base
4. Strategic Objectives
5. Transitioning from legacy to AI revenue
6. Financial Results
7. Summary

Our Management Objectives for the last 12 months

Strategic priorities to drive sustainable growth and innovation

1 Maintain Strong Balance Sheet

Ensure financial stability and flexibility to support ongoing operations and strategic initiatives

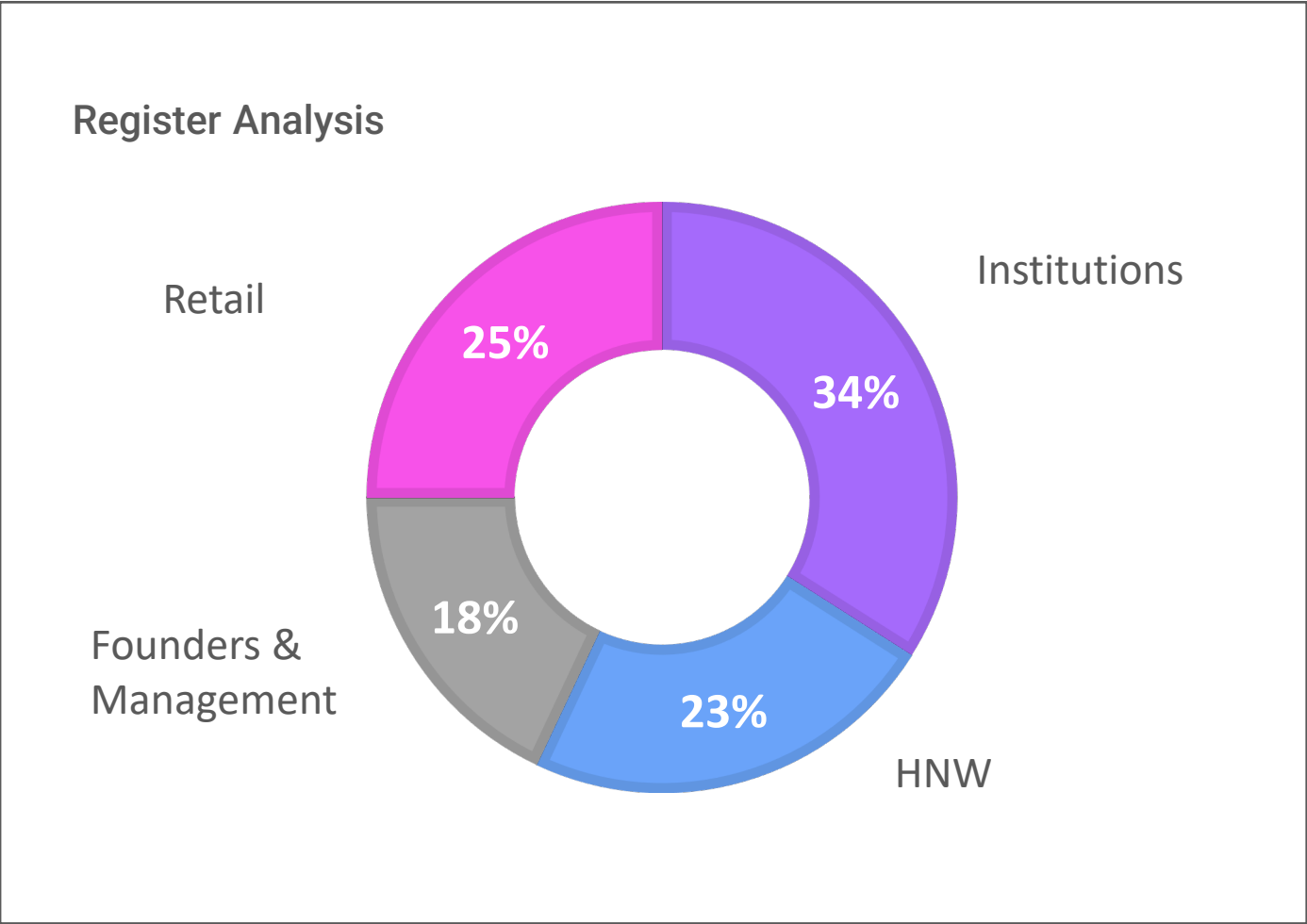
2 Invest in AI-Focused R&D

Accelerate development of proprietary AI technologies to maintain competitive advantage in the evolving market landscape

3 Develop New Market Opportunities

Explore and establish new channels to market with recurring revenue streams and high customer retention

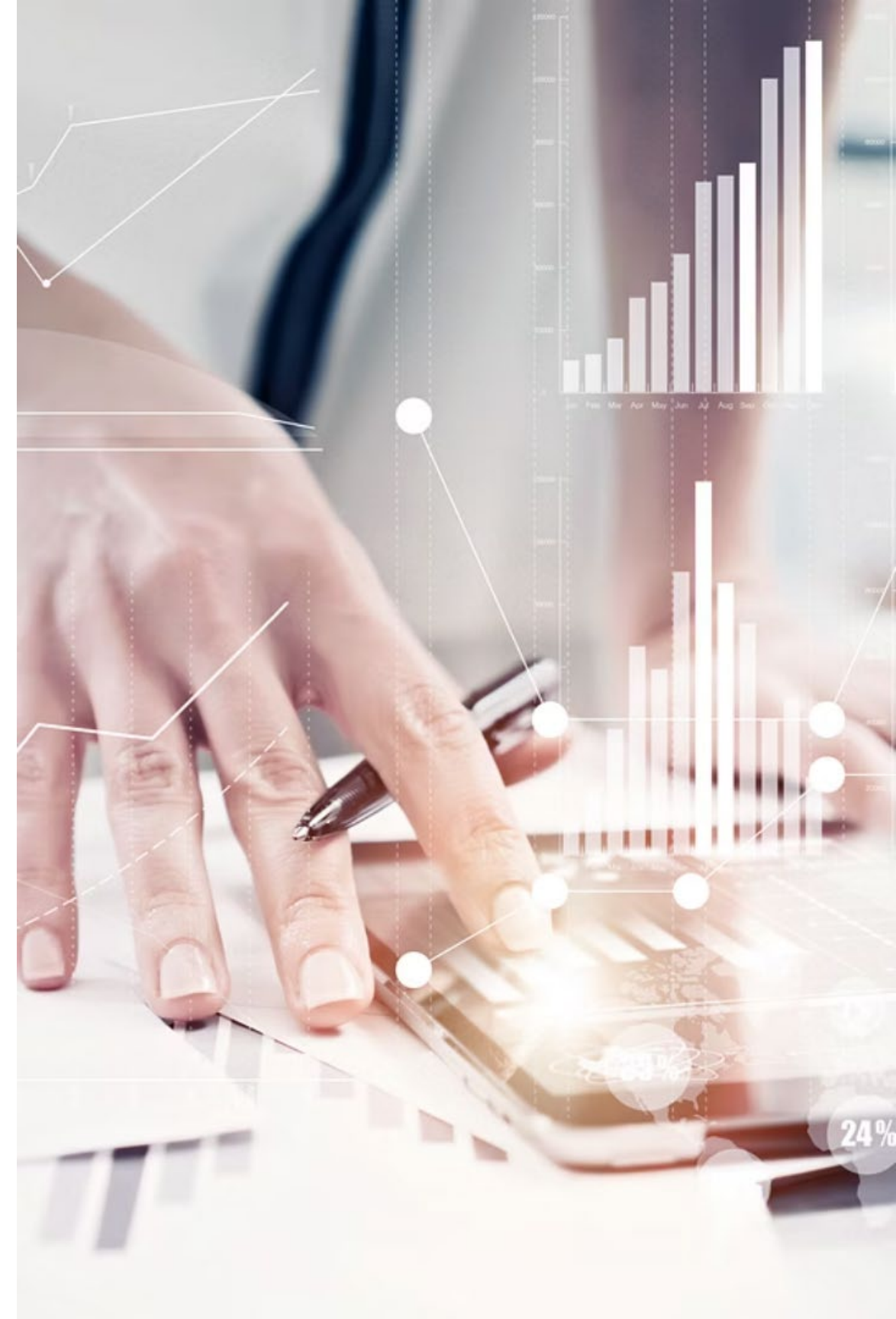
Solid Financial Base



| | |
|---|---|
| <div>\$44.9M</div> <div>Revenue</div> <div>FY25 Guidance \$43-45m</div> | <div>\$4.8M</div> <div>Adj. EBITDA</div> |
| <div>\$12.9M</div> <div>Cash in bank</div> <div>Strong liquidity position</div> | <div>\$3.4M</div> <div>Operating Cash Flow</div> <div>EV/EBITDA: 5.7*</div> |
| <div>Nil</div> <div>Debt</div> <div>Low leverage ratio</div> | <div>\$7.6M</div> <div>R&D Investment</div> <div>Annual investment in R&D</div> |
| <div>67.0%</div> <div>Gross Margin</div> | |

*Based on a share price of AU\$0.56 (15 May 2025) converted at an exchange rate of NZD/AUD 0.92

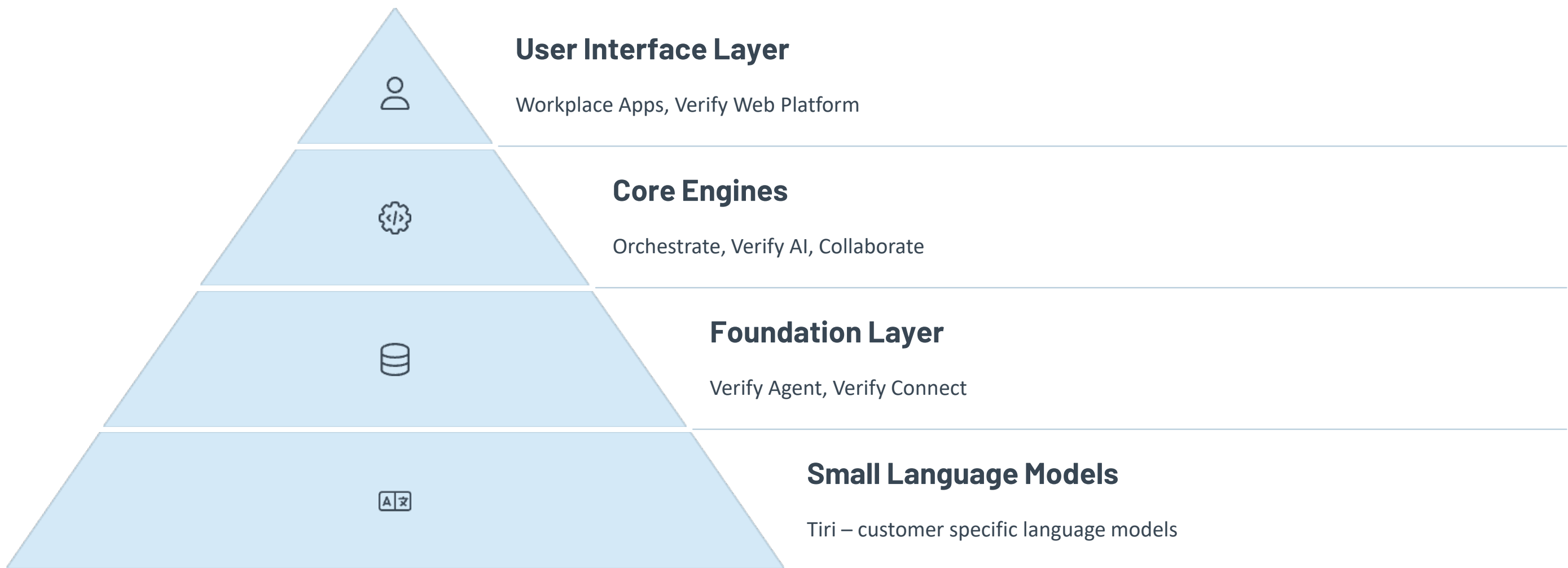
Strategic Objectives



1. AI Innovation

R&D: Revolutionary Language Technology Platform

Innovation focused on an integrated AI translation stack to provide a complete solution from content ingestion to delivery.



A comprehensive stack that transforms content across platforms, languages, and workflows while maintaining quality and efficiency.

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.

VERIFY AI: Revolutionising Translation Efficiency

AI Translation

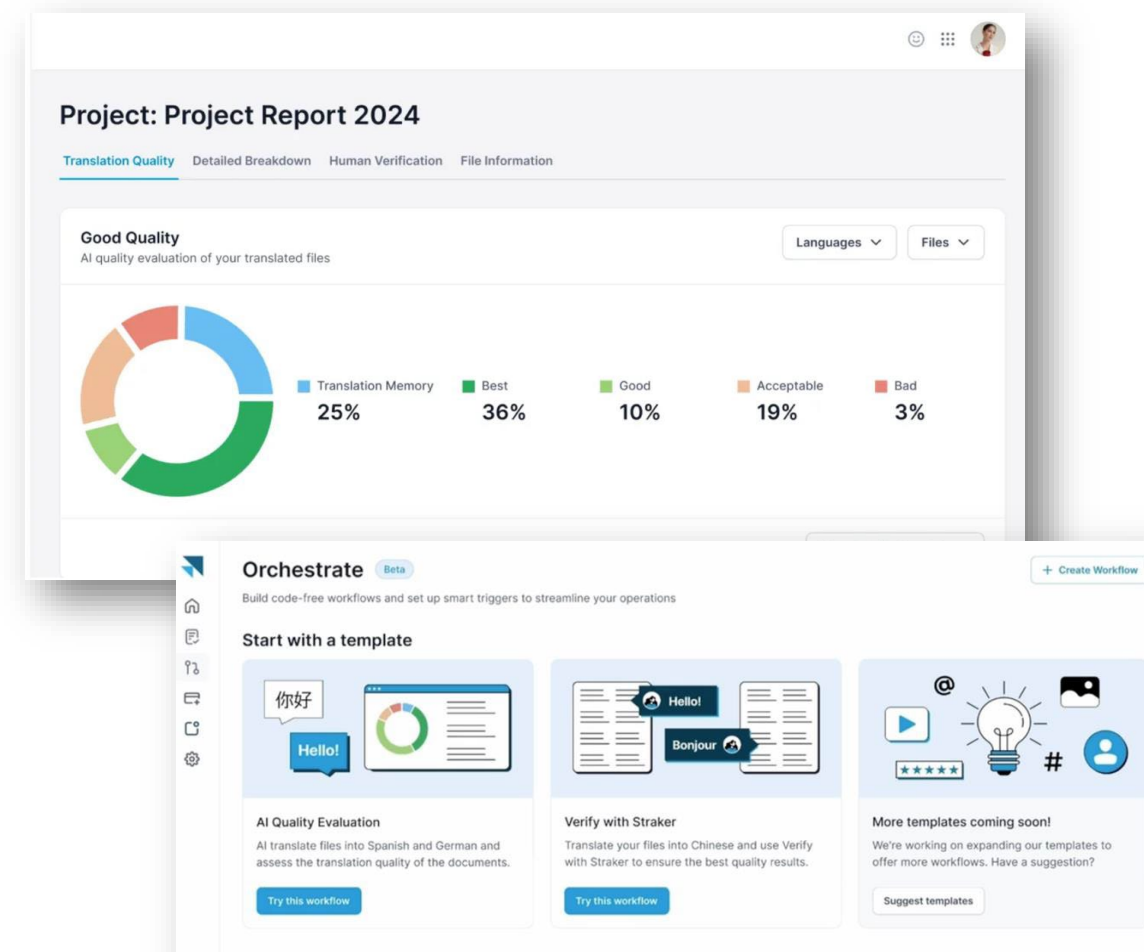
Tiri AI-powered translation
Post AI Quality Estimation

Human Verification

Translators focus on verification only

Business Impact

Higher margins, faster turnaround, lower cost
for customers

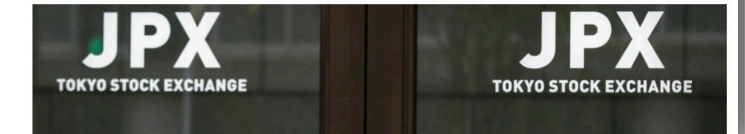


SwiftBridge AI: Solving the complex problem of translating Japanese financial data using custom AI models

- ★ Tokyo Stock Exchange mandatory English translation disclosure rules impacting over 1,600 listed entities
- ★ Roll-out over H1 FY26
- ★ Built in partnership with IBM
- ★ Major technology distribution partner (Iguazu) signed with a 60 strong sales team active

BUSINESS / MARKETS

Japanese companies rush to up English-language disclosures in 2025

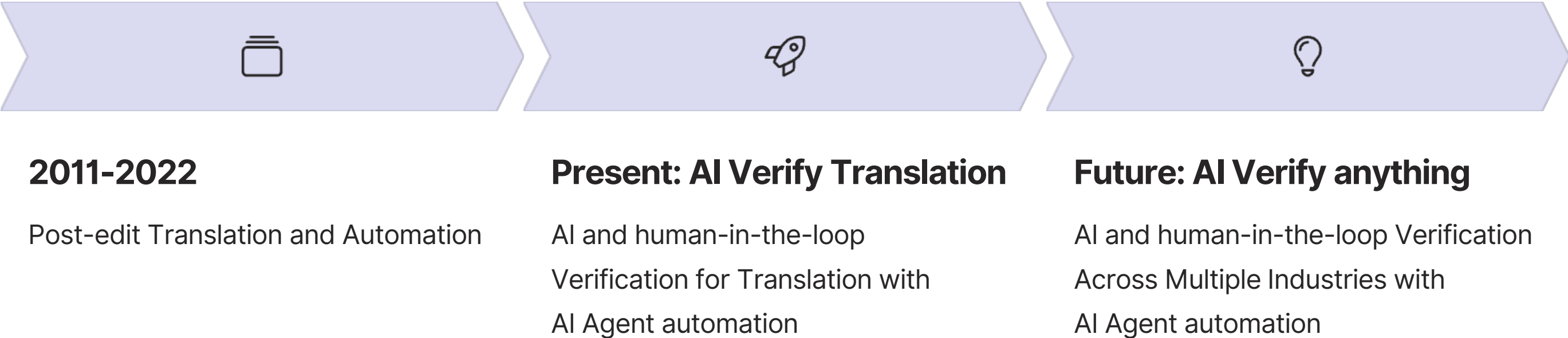


Japanese companies are scrambling to improve English-language disclosures ahead of a requirement for many of them to publish financials more accessible to international investors.





The Journey to AI-Powered Language Leadership



AI Verification Across Multiple Industries (Future)

| Industry | AI Verification Application | Market Potential |
|------------|---------------------------------------|------------------|
| Healthcare | Medical content accuracy verification | High |
| Legal | Legal document AI verification | Very High |
| E-commerce | Product description verification | Medium |
| Media | AI-generated content verification | High |
| Education | Educational material verification | Medium |





2. Grow Global Distribution Base

AI Innovator with Global Reach

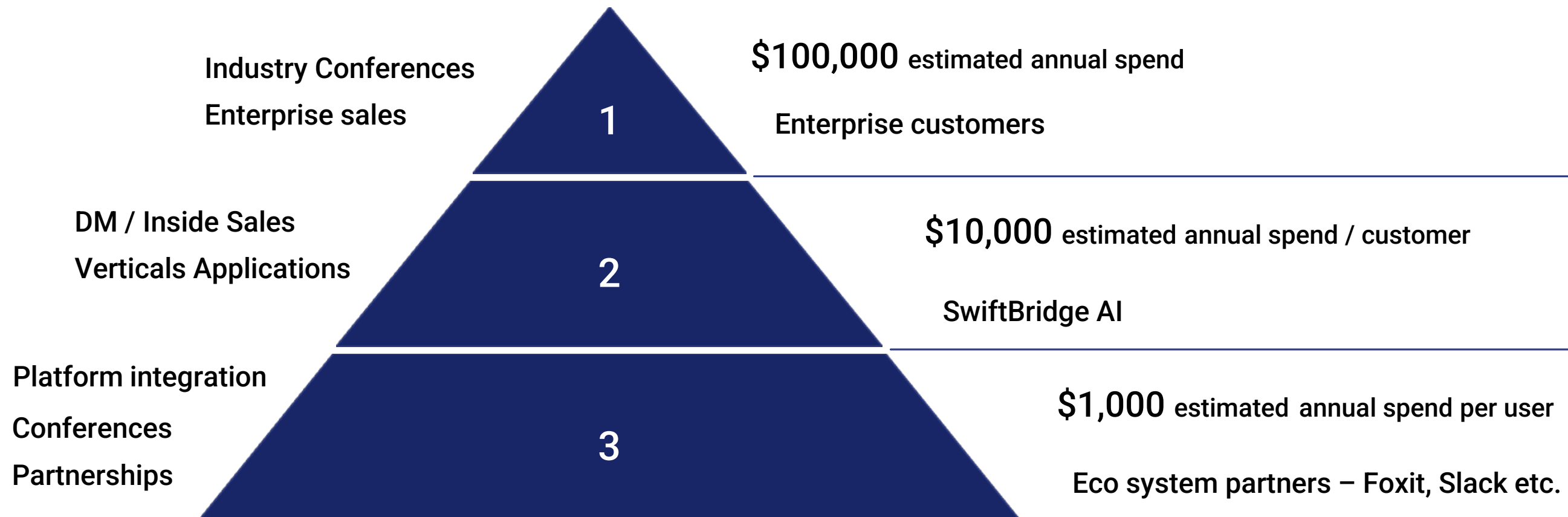
Strategic Reach

170 staff, 10 countries, channel and technology partnerships with IBM, Salesforce, Microsoft



Strategic Customer Acquisition for Scalable Growth

Our pathway to AI revenue Growth



Ecosystem Integration Opportunity

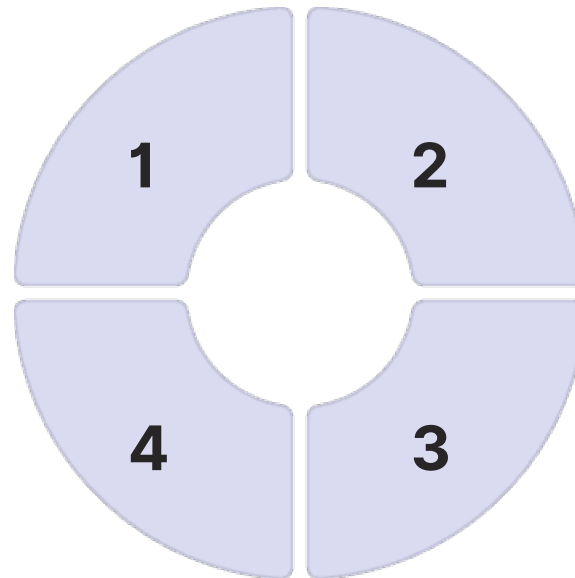
As hundreds of platforms integrate AI translation as a premium service, a significant premium + verification opportunity emerges.

Platform Integration

Hundreds of platforms now offering LLM translation as a premium service

Customer Expansion

Reach new markets through integration partnerships



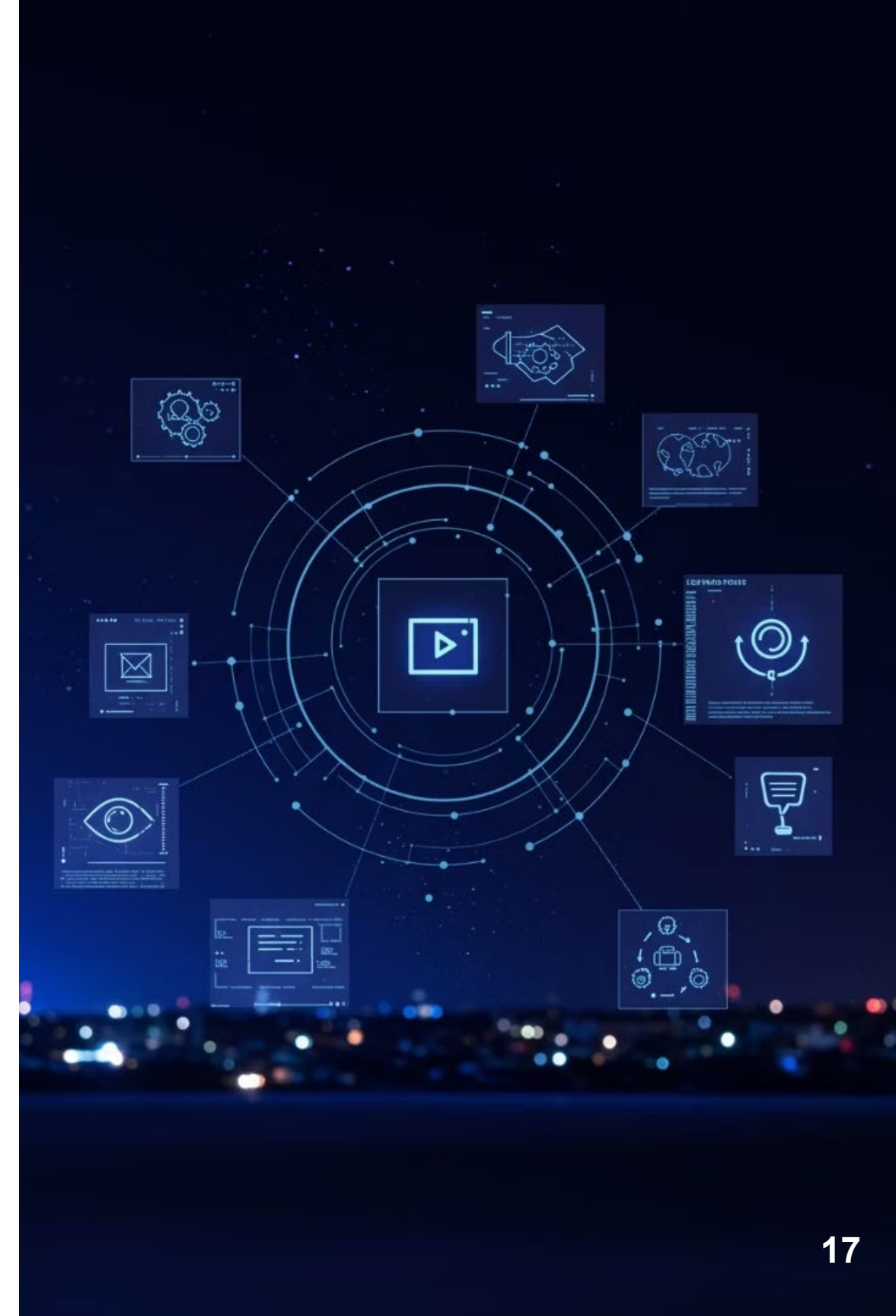
VERIFY AI Layer

Our solution serves as the next-tier premium verification service

New GTM Channels

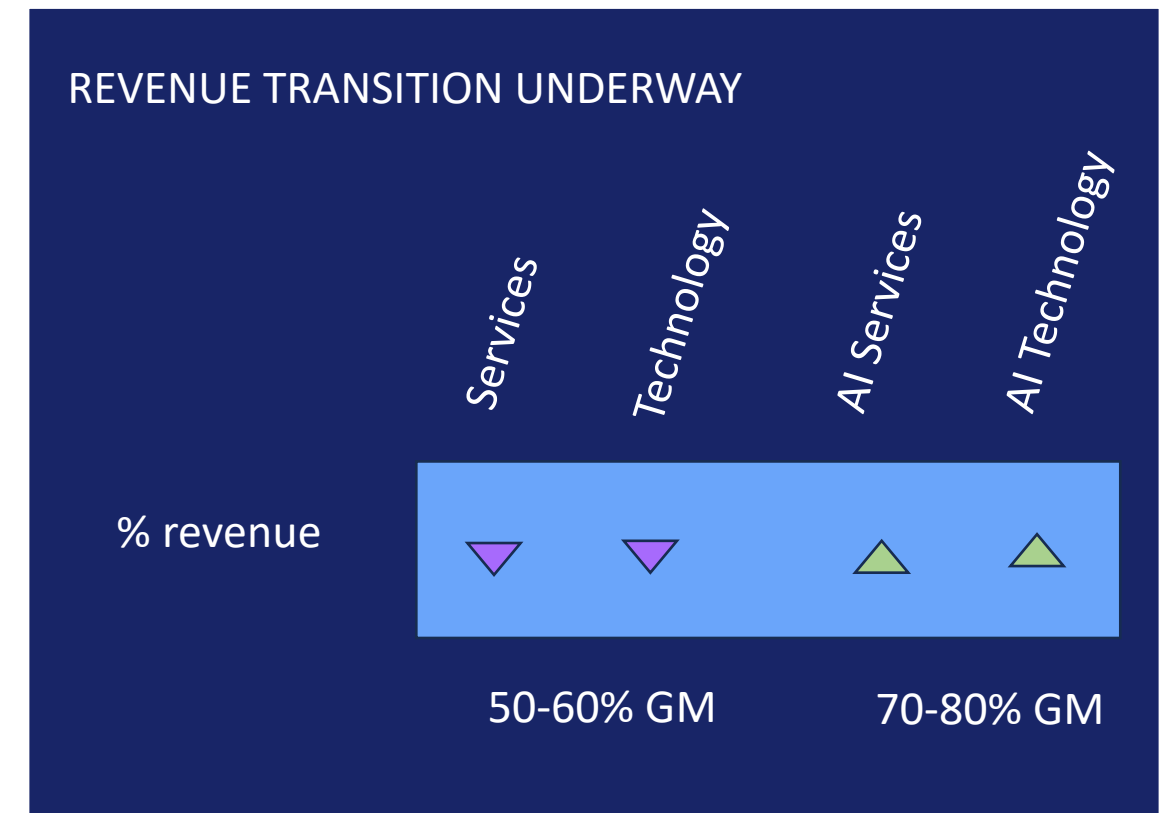
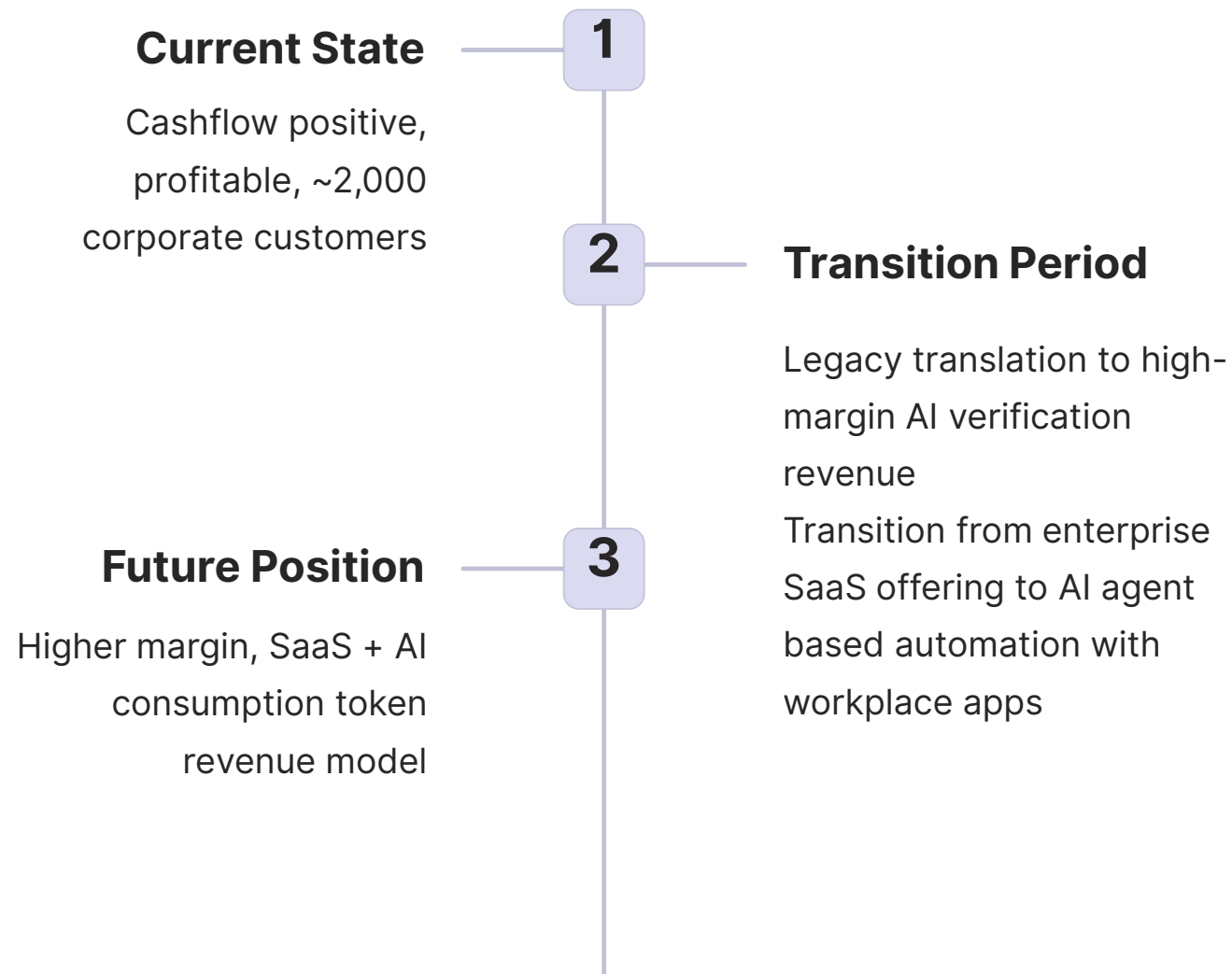
Scalable ecosystem model creates recurring revenue streams

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



3. Transitioning to AI

Profitable Growth & AI-Driven Margin Expansion



Financial Results



DAVID INGRAM
Chief Financial Officer

Financial Performance

| | 2025 | 2024 | Change | |
|---|-----------------|----------------|----------------|--------------|
| | \$'000 | \$'000 | \$'000 | % |
| Revenue | 44,863 | 50,014 | (5,151) | -10% |
| Cost of sale | (14,819) | (18,093) | 3,274 | 18% |
| Gross profit | 30,044 | 31,921 | (1,877) | -6% |
| Gross margin % | 67.0% | 63.8% | 3.1% | 5.0% |
| Other income | 182 | 355 | (173) | -49% |
| Capitalised software development | 2,152 | 2,671 | (519) | -19% |
| Underlying operating expenses* | (27,628) | (30,448) | 2,820 | 9% |
| Percentage of operating revenue | 61.6% | 60.9% | 0.7% | 1.0% |
| Adjusted EBITDA | 4,750 | 4,499 | 251 | 6% |
| Percentage of operating revenue | 10.6% | 9.0% | 1.6% | 18.0% |
| Acquisition & Restructure costs | (187) | (245) | 58 | 24% |
| EBITDA | 4,563 | 4,254 | 309 | 7% |
| Percentage of operating revenue | 10.2% | 8.5% | 1.7% | 20.0% |
| Amortisation of software development | (5,176) | (1,987) | (3,189) | -160% |
| Depreciation, and amortisation of right-to-use assets | (679) | (613) | (66) | -11% |
| Amortisation of acquired assets | (3,531) | (4,322) | 791 | 18% |
| Impairment losses | (6,818) | (2,677) | (4,141) | -155% |
| Net finance income | 1,142 | 2,874 | (1,732) | -60% |
| Loss before income tax | (10,499) | (2,471) | (8,028) | -325% |
| Income tax credit | 341 | 282 | 59 | 21% |
| Net loss after tax | (10,158) | (2,189) | (7,969) | -364% |

Strong GM % reduced impact of revenue decline

Underlying operating expenses dropped 9%

Record Adjusted EBITDA, 10.6% of revenue

One-off impact of changing useful life assumption from 5 years to 3

All acquired intangible assets fully amortised in FY25

IDEST acquisition fully impaired in H1 FY25 due to 2 contracts ending; NAM CGU goodwill fully impaired

Mostly unrealised FX on intercompany loans

*Underlying operating expenses are excluding depreciation, amortisation, acquisition & restructure costs, and impairment losses

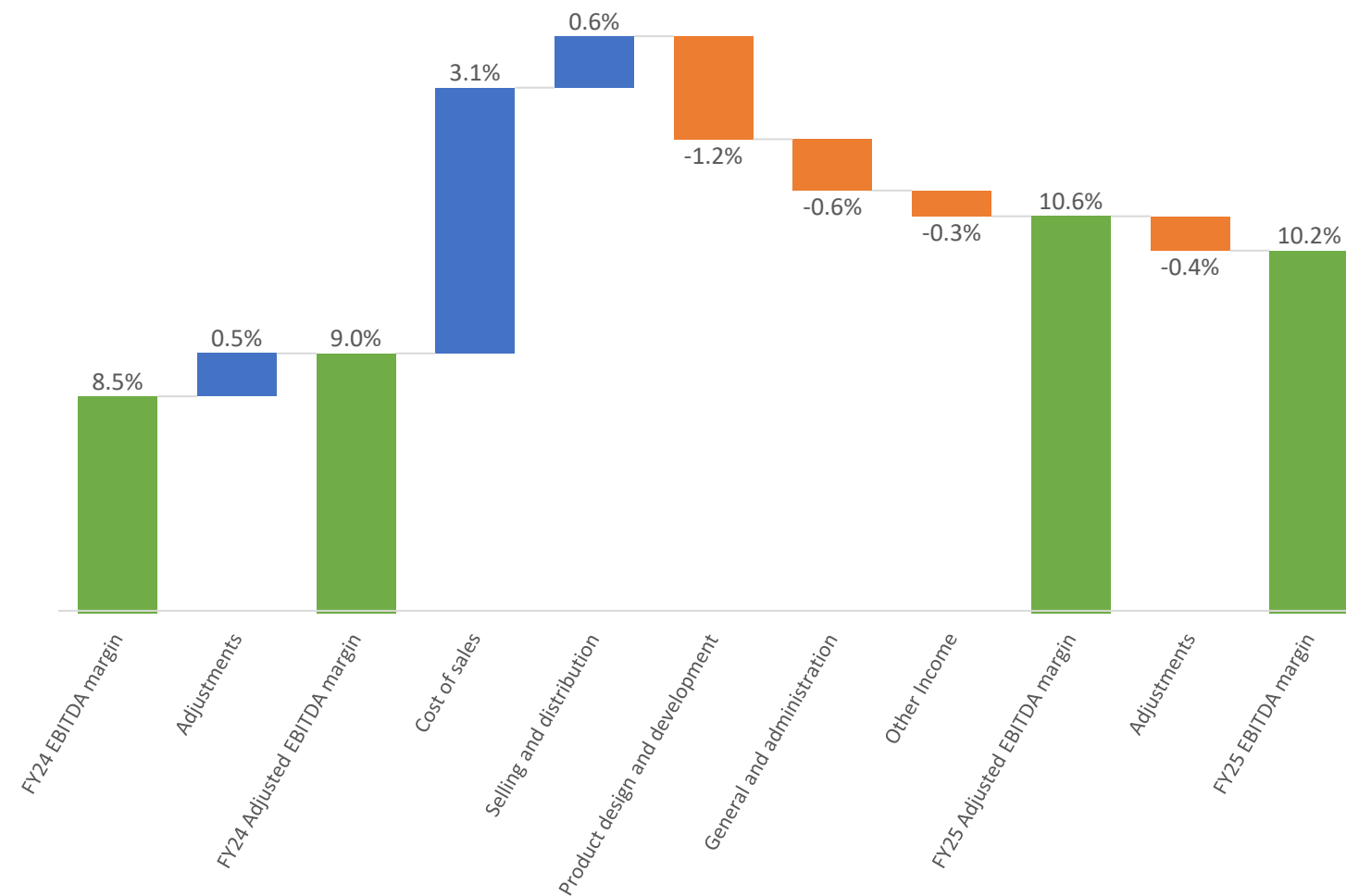
Revenue analysis



- Drop in **Language Services (LS)**
 - IDEST contracts ending in FY25 H1
 - Macro-economic and AI headwinds
- Initial **Verify** revenue
- **Managed Services** – 1st full year of operation
- +1% constant currency impact

Progress on key metrics

Movement in EBITDA margin %¹



Gross Margin %



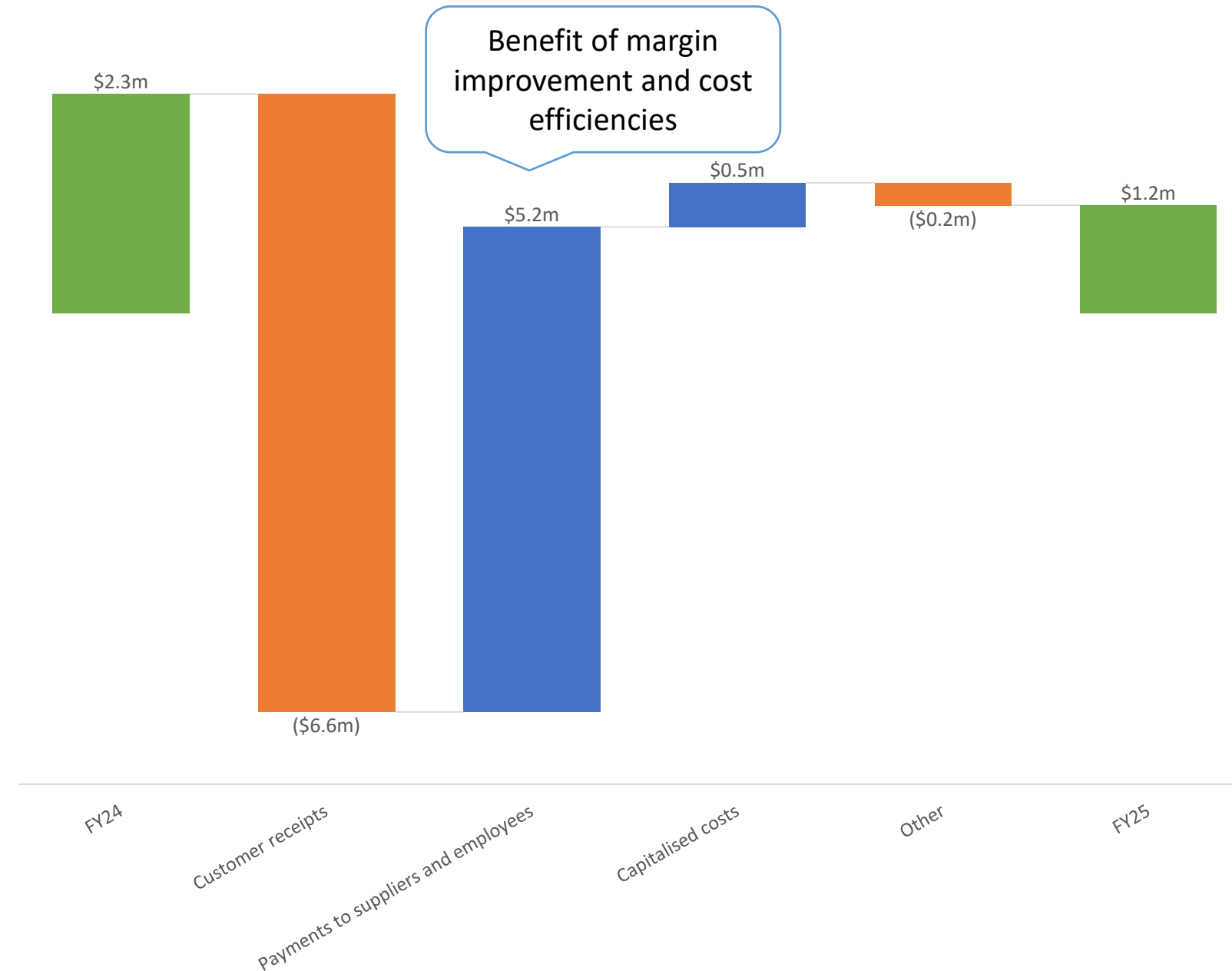
1. Chart might not add through due to rounding

Strong balance sheet

| | FY24 | FY25 | Δ YOY |
|---------------------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Cash and cash equivalents | 12,165 | 12,915 | 750 |
| Working Capital | 11,052 | 13,374 | 2,322 |

- Cash position grew \$750k YOY
- Working capital strengthened to by 21% to \$13.4m
- Nil debt

Resilient free cash flow



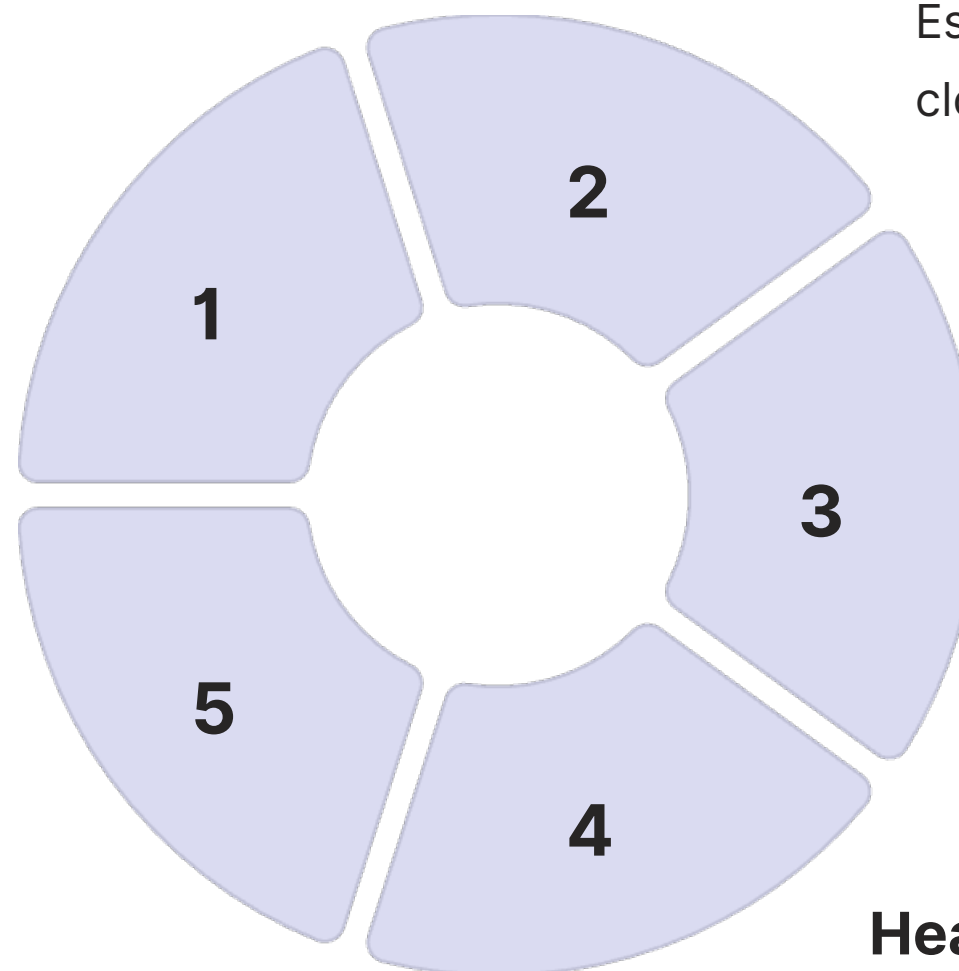
Investment Highlights

Proprietary Technology

Tiri & Tiri-X AI models with 15 years of data advantage

Large Market Opportunity

Operating in the US\$76B global language services market



Growth Infrastructure

Established presence in 10 countries, enterprise cloud setup with strategic partnerships in place

AI Revenue Growth

Transitioning to high-margin AI-powered services with product-market fit

Healthy Balance Sheet

Profitable, cashflow positive with strong financial position

Outlook & Management Priorities FY26



Strategic Financial Management

Maintain strong financial position while deploying capital toward high-growth AI initiatives.



Expansion in AI Ecosystem

Develop new channels to customers as AI reshapes the translation technology landscape.



Targeted R&D Investment

Commercialise existing innovations while exploring verification applications within the larger AI ecosystem.



Margin Optimization

Focus on high-margin AI services while navigating pressure on traditional business segments.



Operational Efficiency

Implement cost reduction initiatives using AI agents to streamline workflows and enhance productivity.



Q&A

Contact

Grant Straker: grant@straker.ai

David Ingram: david.ingram@straker.ai

Follow Us

ASX: STG

www.straker.ai

LinkedIn: <https://www.linkedin.com/company/straker/>