

ASX ANNOUNCEMENT

Revised Outlook Statement for FY24 and CEO Conference Presentation

AUCKLAND, 14 March 2024 – Straker Limited (ASX: STG, Straker or Company) has updated its FY24 guidance for revenue, with the revised guidance as follows:

- Revenue is now expected to decline by double digit percentage vs FY23;
- Gross Margin expected to improve versus FY23's 57%; and
- Operating Cash Flow and EBITDA to be positive for FY24.

The Company remains optimistic on its long-term outlook and the commercial opportunity presented by generative AI. It will provide further context to the outlook when it releases its FY24 financial results in May 2024.

Coffee Microcaps Conference

Attached is the presentation by the CEO of Straker at the Coffee Microcaps Conference in Sydney later today.

Authorisation

This announcement has been authorised for release by the Chairman and CEO of Straker Limited.

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About Straker

Straker provides AI-driven localisation and content process automation, with human-in-the-loop verification to more than 10,000 customers. Our flagship SaaS based product – LanguageCloud, provides an AI co-pilot for translation, expert human verification, more than 100 system connectors and natural language interfaces through Slack and Teams.

For more information visit: www.straker.ai

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STRAKER ASX.STG

Coffee Microcaps Sydney
14 March 2024

Global Tech Leader in AI & Automation

- Straker is a leading provider of AI-powered technology solutions.
- We operate globally, specializing in AI/Machine Learning, automation, and localization.
- Our innovative solutions leverage a human-in-the-loop approach with AI co-pilot assistance.
- We target the massive \$70 billion language industry.

Key Investor Takeaways:

- Strong market position in a high-growth industry.
- Unique combination of AI and human expertise.
- Scalable SaaS model with global reach.

"During an industry downturn, you can either be a follower and react to the changing landscape, or you can be a leader and shape it." - Reed Hastings, co-founder and CEO of Netflix.

"While most of our Industry think customers still want video tapes(or are only setup for video tapes), we are focused on streaming"
Grant Straker CEO of Straker

- ◆ NZ tech company - listed 2018
- ◆ ~\$50m Revenue FY24 (f)
- ◆ \$29m market cap
- ◆ \$13m* in the bank with no debt
- ◆ Cash flow positive
- ◆ EBITDA positive (\$3m Q3 YTD)
- ◆ Completed AUD \$1.9m share buy back in Q3/4
- ◆ Unique AI technology base
- ◆ Global partnerships with IBM/Salesforce
- ◆ 200 staff across 10 countries
- ◆ Diverse & global customer base Major contracts in place
- ◆ Top 10 shareholders own 70%
- ◆ \$9m/year into R&D
- ◆ 62% gross margins

We now expect a double-digit percentage decline in Revenue on FY23. Pleasingly, Gross Margin in FY24 is now expected to improve over FY23 rather than remain flat and we continue to expect to deliver positive Operating Cash Flow and EBITDA for FY24.

Who we do it for



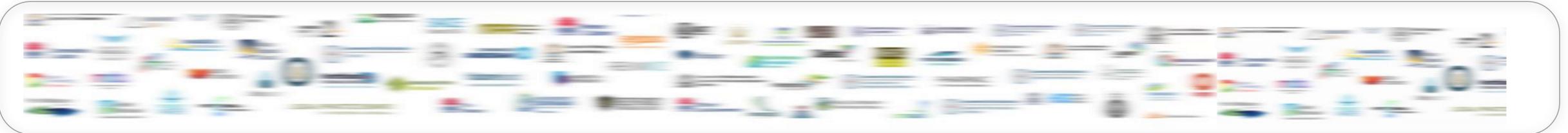
25 Leading customers
(60% revenue)



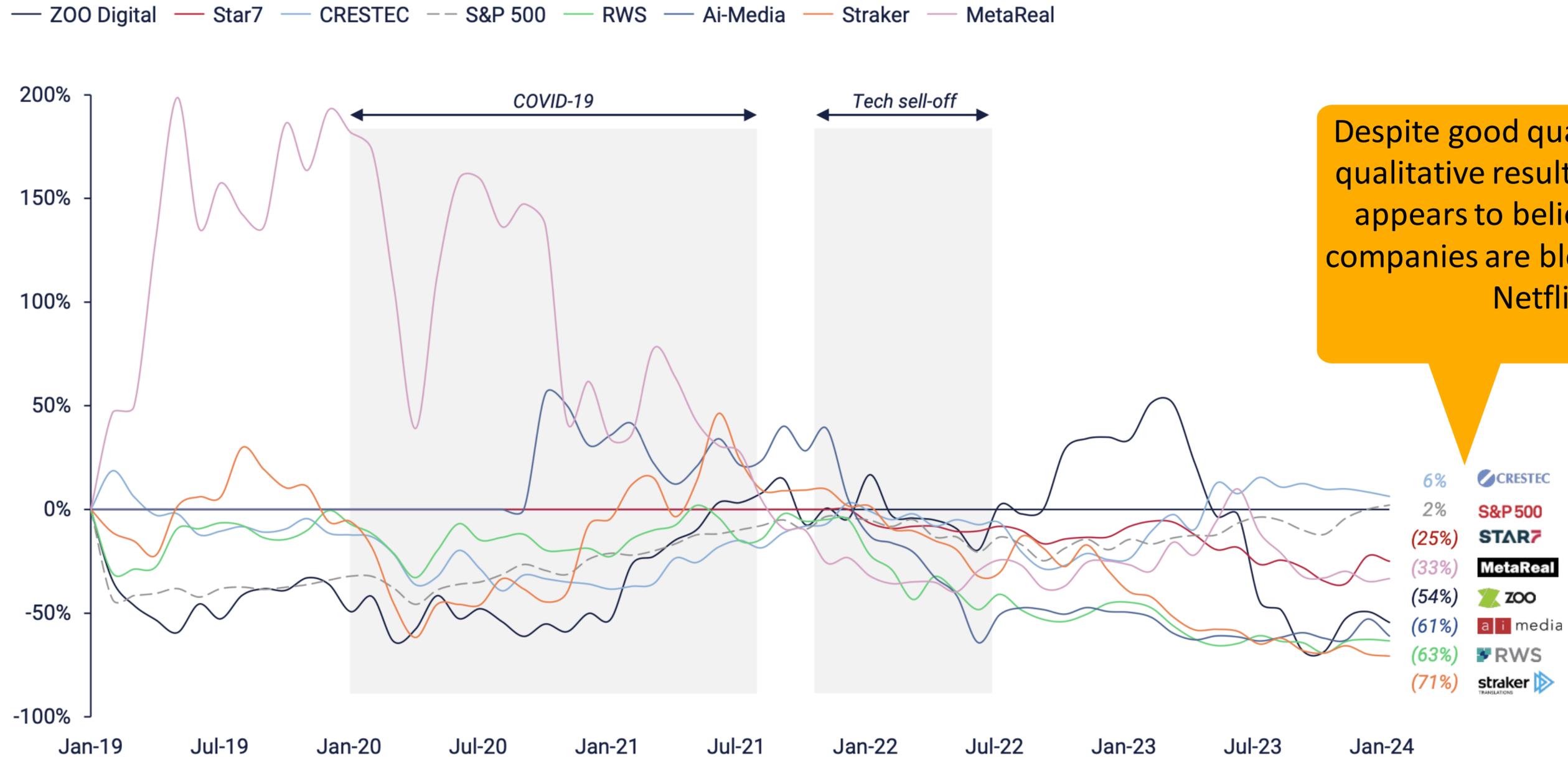
300+ Enterprise customers
(34% Revenue)



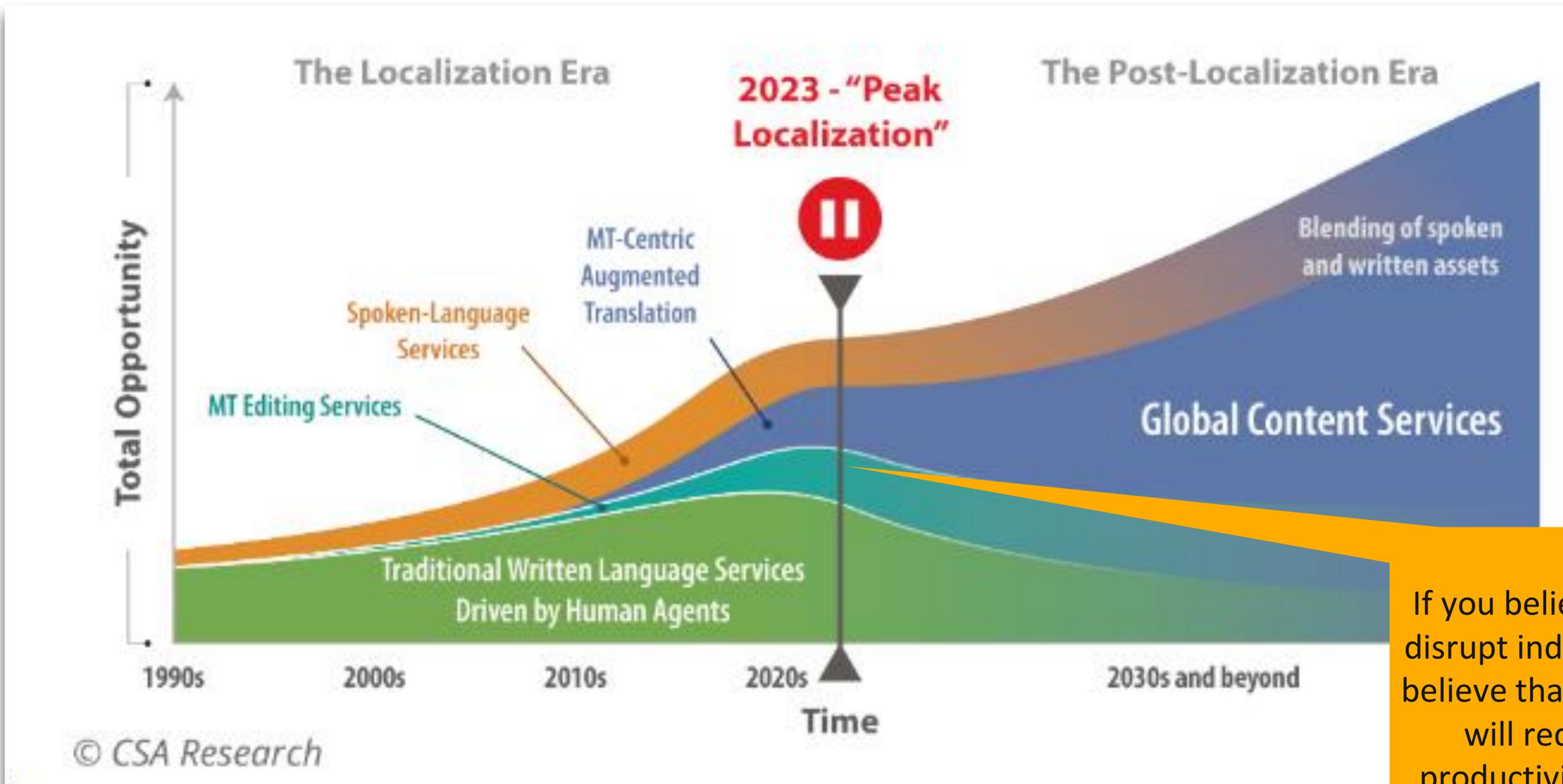
8,000 +
SME/Transactional customers
(6% revenue)



Share price performance in the last five years (in % change)



Despite good quantitative and qualitative results, the market appears to believe all these companies are blockbuster, not Netflix?



If you believe AI is going to disrupt industries, you must believe that some industries will reduce with the productivity gains from AI

What does AI mean for the industry?

- ◆ Industry will consolidate as the traditional market reduces
- ◆ AI translation process will become prevalent including direct content creation
- ◆ Translation will become a utility through automation
- ◆ Margins will increase as more technology is used
- ◆ Companies will move away from internal teams managing the process
- ◆ Pricing models will change from volume or time, to token & time

The Engine



LC Orchestrate

- Automates content process flow
- Provides easy user interaction platform using Slack and Teams
- Manages scale and billing
- Provides connectors for common platforms
- Reduces the need for internal translation teams
- SaaS based pricing

The AI Innovation

VERIFY

- AI verification
- Significant savings
- Verifies translation and content creation

The Platform

Workplace Apps

- No translation management system required
- Embed in the tools people use everyday
- Generate insights and reports through natural language

The Utility



Connectors

Enjoy efficiency with more than 20 pre-built connectors for common content systems such as Adobe InDesign, Drupal and many others.

AI COMPLIANCE

Our VERIFY engine can be used to conduct advanced Gap Analysis using AI. Need to see if your policies and procedures map to an ISO standard - use our Compliance Tool to save days of work

Useful tools

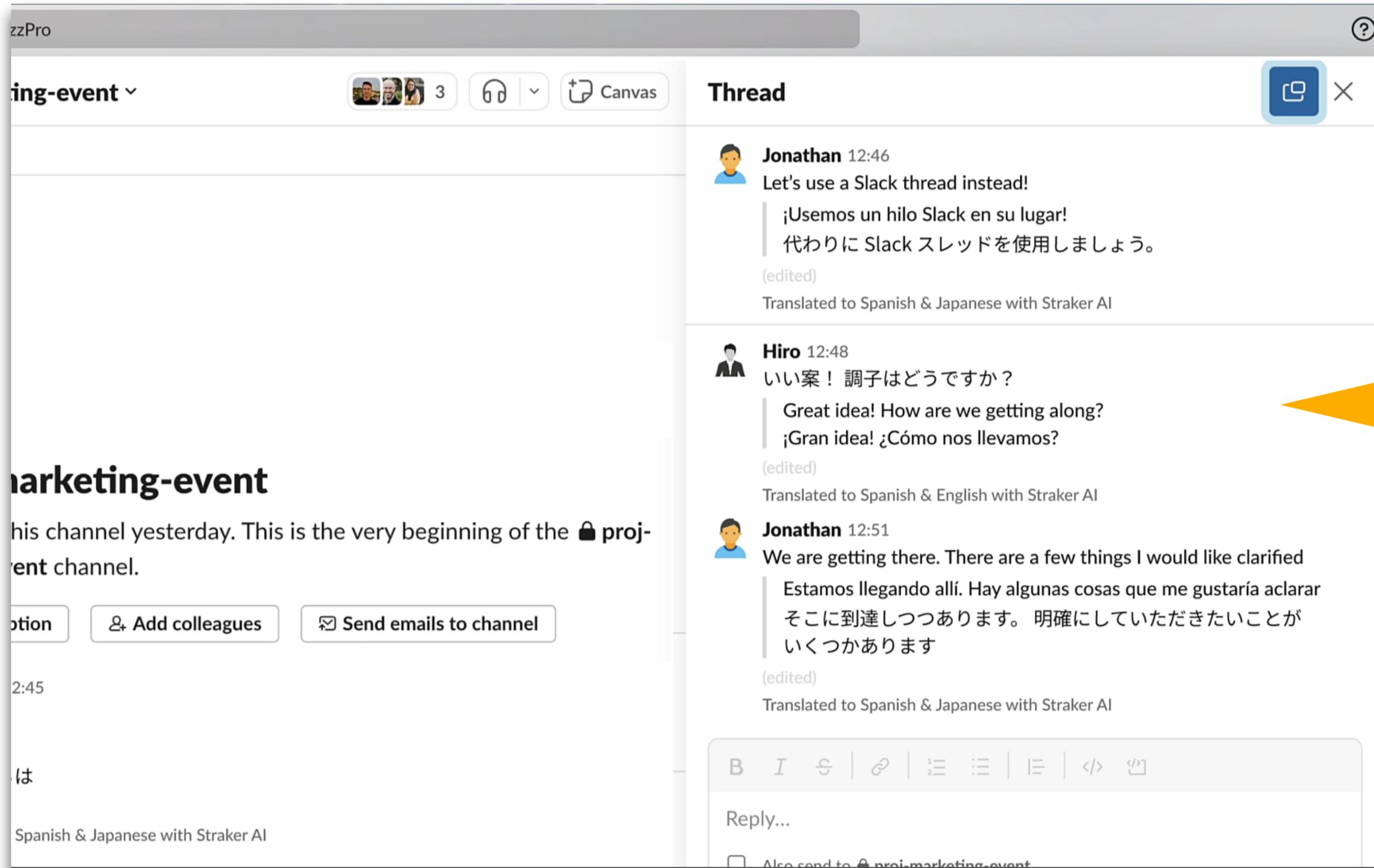
AI Fact-checking

Not sure if your AI Generated content is accurate or making things up? Use our AI Fact Checking engine (web or API) to fact-check your AI Generated content.

The Adjacency

- ✓ **TRANSLATE SLACK MESSAGES IN 100+ LANGUAGES**
- ✓ **AI TRANSLATE FILES INSTANTLY**
- ✓ **CUT TRADITIONAL TRANSLATION COSTS BY UP TO 90%**
- ✓ **HUMAN EXPERT VERIFICATION**
- ✓ **SECURELY MANAGE EVERYTHING WITHIN SLACK & SALESFORCE**

Multi-threaded, multi-language conversations in workplace apps



The screenshot shows a chat window titled "ing-event" with a "Thread" view open. The thread contains three messages:

- Jonathan 12:46**: "Let's use a Slack thread instead!"
¡Usemos un hilo Slack en su lugar!
代わりに Slack スレッドを使用しましょう。
(edited)
Translated to Spanish & Japanese with Straker AI
- Hiro 12:48**: "いい案！調子はどうですか？"
Great idea! How are we getting along?
¡Gran idea! ¿Cómo nos llevamos?
(edited)
Translated to Spanish & English with Straker AI
- Jonathan 12:51**: "We are getting there. There are a few things I would like clarified"
Estamos llegando allí. Hay algunas cosas que me gustaría aclarar
そこに到達しつつあります。明確にしていきたいことがいくつかあります
(edited)
Translated to Spanish & Japanese with Straker AI

The interface includes a top bar with "ing-event", a user count of 3, and a "Canvas" button. The main chat area shows a "marketing-event" channel description and buttons for "Add colleagues" and "Send emails to channel". A bottom bar contains a rich text editor with icons for bold, italic, link, list, and code, followed by a "Reply..." input field and a checkbox for "Also send to #proj-marketing-event".

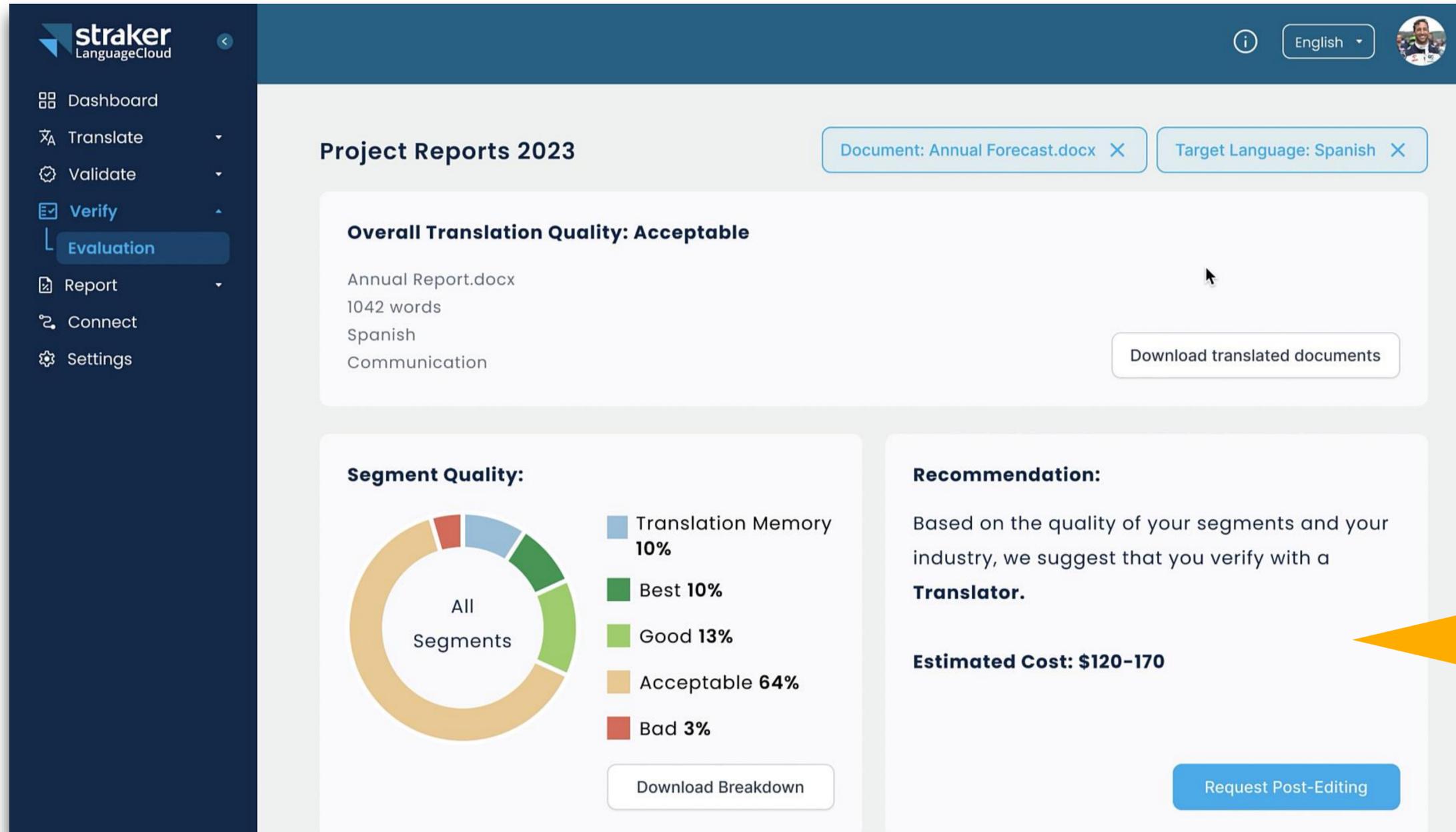
Pricing based on AI token usage, not volume

Instant document translation, with quality evaluation



The screenshot shows a Slack workspace for 'BuzzPro Inc.' with a sidebar on the left containing navigation options like Home, DMs, Activity, Later, and More. The main chat area shows a message from the 'Straker' bot. The message includes a file upload of '1/9 meeting notes.docx' (Word Document). Below the file, the bot asks to 'Select your translation option below' with buttons for 'New translation job' and 'Quality evaluation'. A subsequent message from the bot says 'Please wait a moment and we will AI translate your file and provide you with a quality evaluation of the output.' Another message from the bot asks 'Please type the languages you want you files AI translated into'. A user named 'Jonathan' replies 'French and German'. The bot then responds: 'We have AI translated your file(s) into French & German and have populated any exact human translation memory matches. The overall translation quality evaluation for the documents uploaded: Best ✓'. At the bottom, it says 'Your files can be downloaded below:' with buttons for 'Download files' and 'View breakdown'. The chat interface includes a text input field with a rich text editor toolbar and a 'Message Straker' label.

Take instant translation with token-based pricing for content, or send for human with hourly based expert review



The screenshot displays the Straker LanguageCloud interface. On the left is a dark sidebar with navigation options: Dashboard, Translate, Validate, Verify, Evaluation (highlighted), Report, Connect, and Settings. The main content area is titled "Project Reports 2023" and includes filters for "Document: Annual Forecast.docx" and "Target Language: Spanish".

Overall Translation Quality: Acceptable

Annual Report.docx
1042 words
Spanish
Communication

[Download translated documents](#)

Segment Quality:

All Segments

- Translation Memory 10%
- Best 10%
- Good 13%
- Acceptable 64%
- Bad 3%

[Download Breakdown](#)

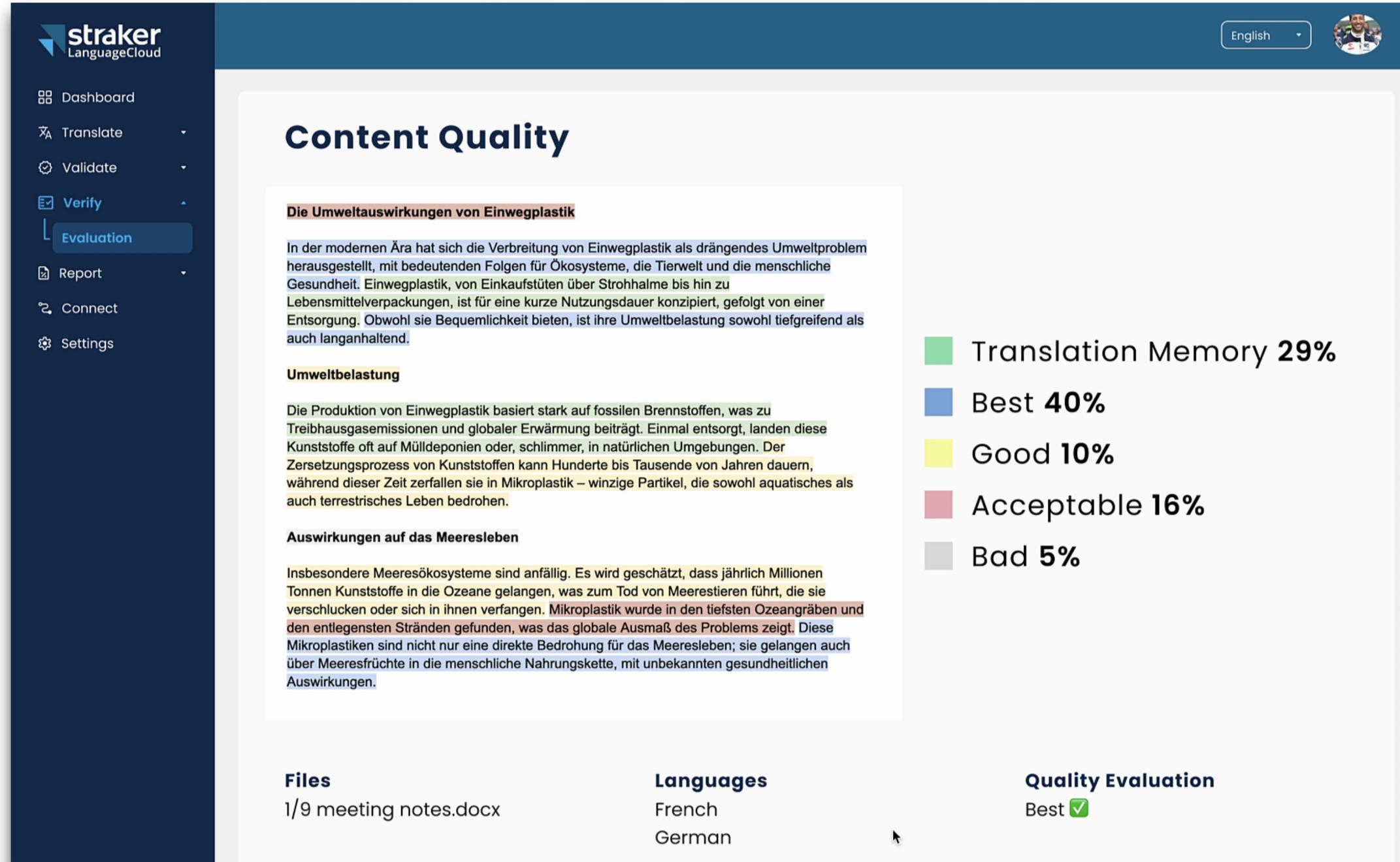
Recommendation:

Based on the quality of your segments and your industry, we suggest that you verify with a **Translator**.

Estimated Cost: \$120-170

[Request Post-Editing](#)

Machine recommends a human review based on document usage



The screenshot displays the Straker LanguageCloud interface. On the left is a dark blue sidebar with navigation options: Dashboard, Translate, Validate, Verify, Evaluation (highlighted), Report, Connect, and Settings. The top right of the interface shows 'English' and a user profile icon. The main content area is titled 'Content Quality' and features a text snippet about environmental impacts of single-use plastic. To the right of the text is a quality evaluation legend with five categories: Translation Memory (29%), Best (40%), Good (10%), Acceptable (16%), and Bad (5%). At the bottom, three summary boxes show: 'Files: 1/9 meeting notes.docx', 'Languages: French, German', and 'Quality Evaluation: Best' with a green checkmark icon.

Content Quality

Die Umweltauswirkungen von Einwegplastik

In der modernen Ära hat sich die Verbreitung von Einwegplastik als drängendes Umweltproblem herausgestellt, mit bedeutenden Folgen für Ökosysteme, die Tierwelt und die menschliche Gesundheit. Einwegplastik, von Einkaufstüten über Strohhalm bis hin zu Lebensmittelverpackungen, ist für eine kurze Nutzungsdauer konzipiert, gefolgt von einer Entsorgung. Obwohl sie Bequemlichkeit bieten, ist ihre Umweltbelastung sowohl tiefgreifend als auch langanhaltend.

Umweltbelastung

Die Produktion von Einwegplastik basiert stark auf fossilen Brennstoffen, was zu Treibhausgasemissionen und globaler Erwärmung beiträgt. Einmal entsorgt, landen diese Kunststoffe oft auf Mülldeponien oder, schlimmer, in natürlichen Umgebungen. Der Zersetzungsprozess von Kunststoffen kann Hunderte bis Tausende von Jahren dauern, während dieser Zeit zerfallen sie in Mikroplastik – winzige Partikel, die sowohl aquatisches als auch terrestrisches Leben bedrohen.

Auswirkungen auf das Meeresleben

Insbesondere Meeresökosysteme sind anfällig. Es wird geschätzt, dass jährlich Millionen Tonnen Kunststoffe in die Ozeane gelangen, was zum Tod von Meerestieren führt, die sie verschlucken oder sich in ihnen verfangen. Mikroplastik wurde in den tiefsten Ozeangraben und den entlegensten Stränden gefunden, was das globale Ausmaß des Problems zeigt. Diese Mikroplastiken sind nicht nur eine direkte Bedrohung für das Meeresleben; sie gelangen auch über Meeresfrüchte in die menschliche Nahrungskette, mit unbekanntem gesundheitlichen Auswirkungen.

Category	Percentage
Translation Memory	29%
Best	40%
Good	10%
Acceptable	16%
Bad	5%

Files
1/9 meeting notes.docx

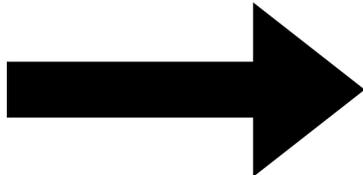
Languages
French
German

Quality Evaluation
Best ✓

Instant video translation



The screenshot shows a Slack channel interface. At the top, a message from 'Straker' at 12:45 says 'Welcome to Straker Translate for Slack! 🎉'. Below it, a user named 'Jonathan' at 12:45 has uploaded a video file named 'Marketing BuzzPro Promo 2025.mp4'. A large black rectangle covers the video player. Below the video, a message from 'Straker' at 12:45 says 'Please wait a moment and we transcribe your file.' At the bottom, a message from 'Straker' at 12:46 says 'We have transcribed your file in English and SRT file can be downloaded below.' with 'Download' and 'Show more options' buttons. A yellow callout bubble points to the 'Download' button.

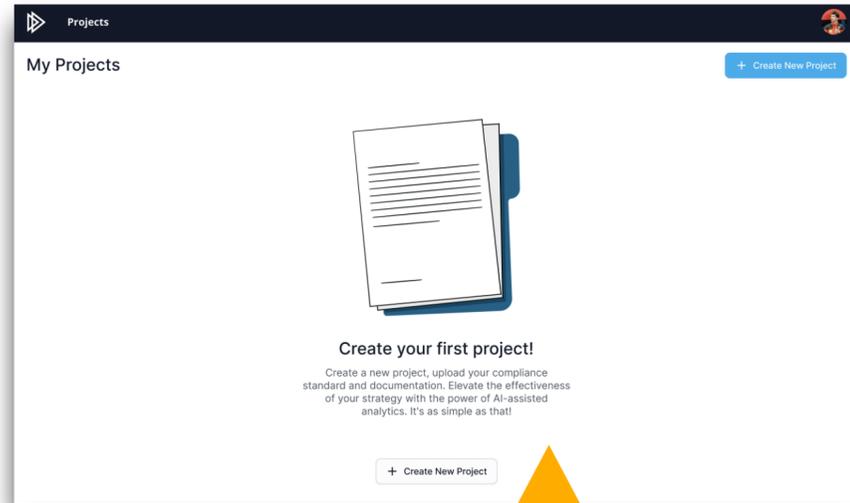


This screenshot shows the continuation of the Slack channel. A message from 'Straker' at 12:46 says 'We have transcribed your file in English and SRT file can be downloaded below.' with 'Download' and 'Show more options' buttons. Below it, another message from 'Straker' at 12:46 says 'Choose an option below to continue.' followed by a list of options: 'Edit the transcribed file in our editing studio' (with an 'Edit' button), 'Add subtitles to my video' (with an 'Add to Video' button), 'Translate in another language' (with a 'Translate' button), and 'Send for human verification' (with a 'Verify' button). Below this, a message from 'Straker' at 12:47 says 'Please type the languages you want you files AI translated into'. A user named 'Jonathan' at 12:47 has responded with 'French and German'. At the bottom, a message from 'Straker' at 12:47 says 'Please wait a moment and we will translate your file.' with a loading spinner icon. A yellow callout bubble points to the 'Translate' button.

Drop file and get Instant transcription

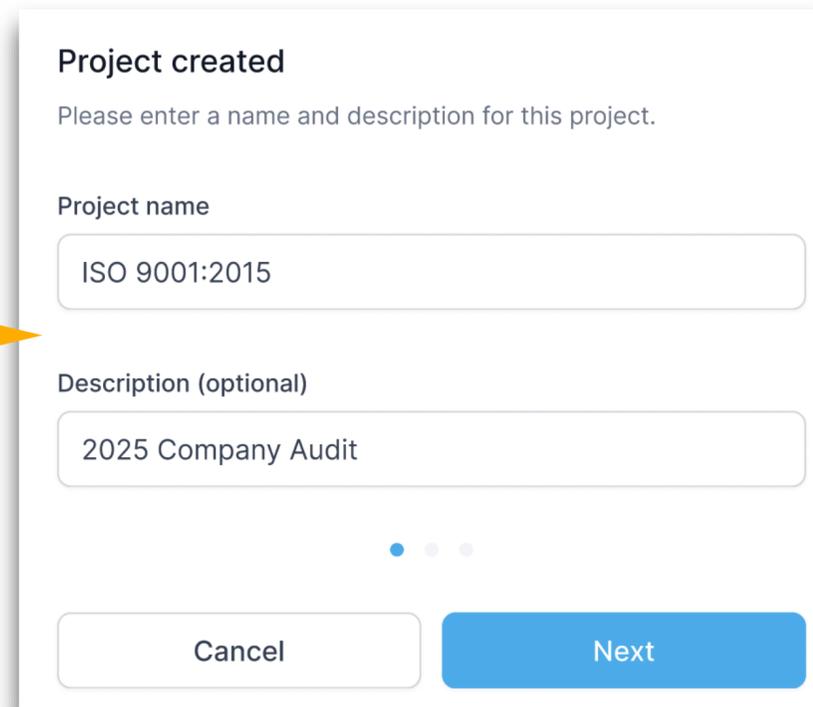
Option to translate and verify

AI compliance gap analysis in multiple languages

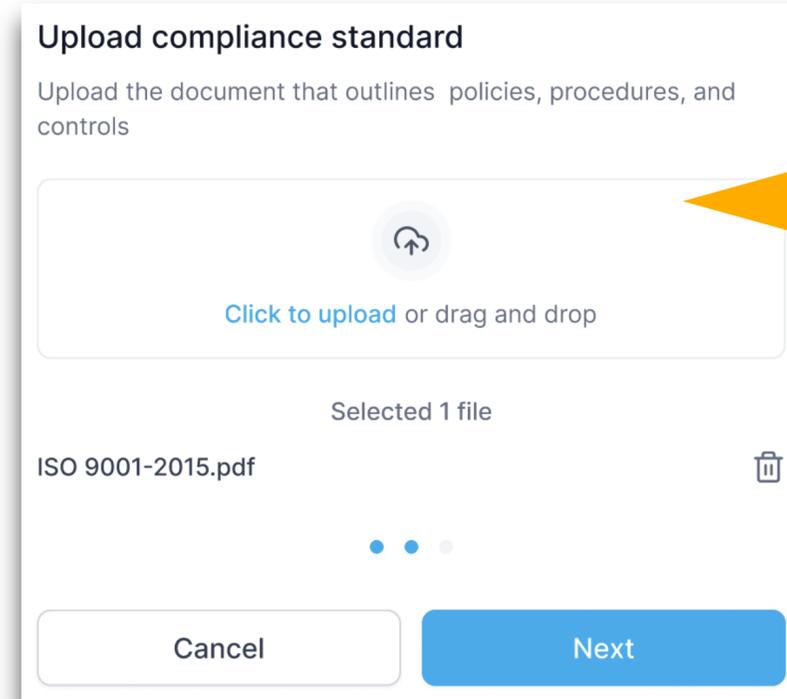


1 Create a project

2. Pick type of project



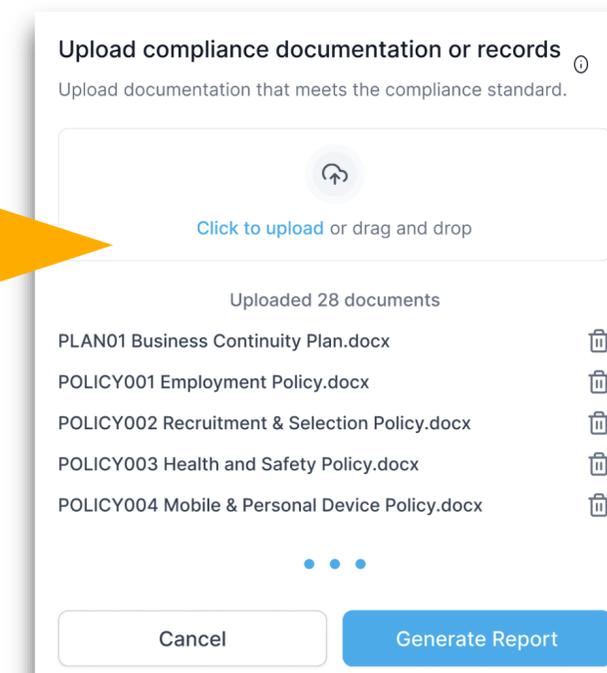
The 'Project created' form prompts the user to enter a name and description. The 'Project name' field contains 'ISO 9001:2015' and the 'Description (optional)' field contains '2025 Company Audit'. The form includes 'Cancel' and 'Next' buttons at the bottom.



The 'Upload compliance standard' form instructs the user to upload a document outlining policies, procedures, and controls. It features a file upload area with the text 'Click to upload or drag and drop'. Below, it shows 'Selected 1 file' as 'ISO 9001-2015.pdf' and includes 'Cancel' and 'Next' buttons.

3. Upload standard

4. Upload internal docs



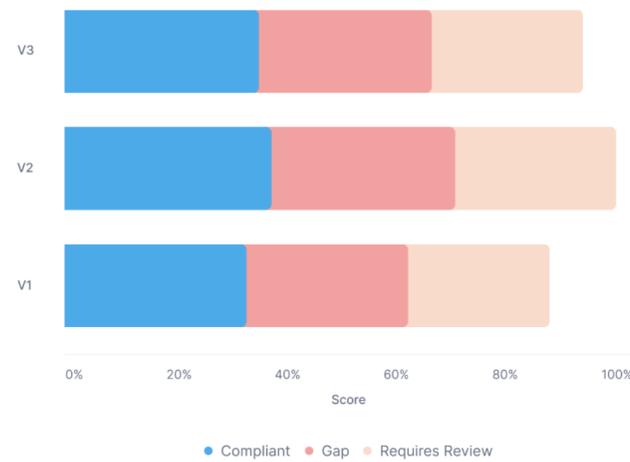
The 'Upload compliance documentation or records' form prompts the user to upload documentation meeting the compliance standard. It shows a list of 28 uploaded documents, including 'PLAN01 Business Continuity Plan.docx', 'POLICY001 Employment Policy.docx', 'POLICY002 Recruitment & Selection Policy.docx', 'POLICY003 Health and Safety Policy.docx', and 'POLICY004 Mobile & Personal Device Policy.docx'. The form includes 'Cancel' and 'Generate Report' buttons.

ISO 9001:2015 – 2025 Company Audit

Dashboard Latest Report Previous Reports Files Activity

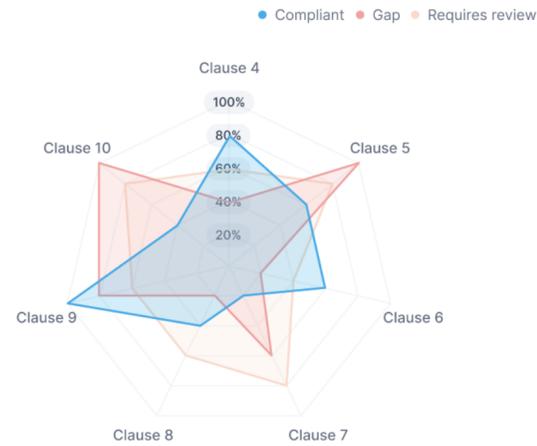
Report Improvement

Gap Analysis



Radar chart

Gap Analysis



Overall Evaluation – Latest Report

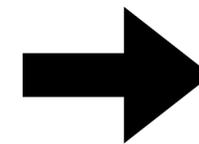
Gap Analysis



● Compliant ● Gap ● Requires review

Gap Overview – Latest Report

Clause	Issue	Action
Section 4.1	The organization has not considered the needs and expectations of relevant interested parties (stakeholders), such as customers and supplier. They have only outlined employees and regulatory bodies, which can influence the QMS objectives and outcomes.	↗
Section 4.4	The organization has not established, applied, or maintained criteria and methods needed to ensure the effective operation and control of these processes.	↗
Section 5.2	There are insufficient mechanisms for obtaining and using customer feedback to drive improvement.	↗



ISO 9001:2015 – 2025 Company Audit

Dashboard Latest Report Previous Reports Files Activity

Document Name

Score

Version

Search

Compliance Section	Extract	Evaluation	Document Name	Version
Section 1.1	The organisation shall determine external and internal issues that are relevant to its purpose and its strategic direction and that affect its ability to achieve the intended results) of its quality management system.	Needs Revision	PLAN01 Business Continuity Plan.docx	V2
Section 2.3	Top management shall demonstrate leadership and commitment to the ISMS by establishing an information security policy and assigning responsibilities for its implementation.	Needs Revision	PLAN01 Business Continuity Plan.docx	V1
Section 2.5	The organization shall implement the information security controls and processes identified to manage and mitigate information security risks effectively.	Needs Revision	PLAN01 Business Continuity Plan.docx	V1
Section 4.7	In adherence to this clause, our organization has established a robust framework for monitoring, measuring, analyzing, and evaluating the performance of our Information Security Management System (ISMS). Regular internal audits are conducted to systematically review the implementation of information security controls and processes. These audits, performed by qualified personnel, assess the effectiveness of our ISMS in mitigating risks and ensuring compliance with established policies. Additionally, management reviews are conducted at planned intervals to scrutinize the overall performance of the ISMS. These reviews involve an examination of key performance indicators, incident reports, and feedback from relevant stakeholders. The insights gained from monitoring activities and internal audits are carefully analyzed to identify areas for improvement, allowing us to continuously enhance the effectiveness of our ISMS and adapt to evolving information security challenges.	Needs Revision	PLAN01 Business Continuity Plan.docx	V1

Value drivers – Language service providers

EBITDA multiple	<8.0x	8.0x – 10.0x	>10.0x
Quantitative factors			
Organic revenue CAGR	<5%	←————→	>10%
Customer concentration (1-2 clients)	>20%	←————→	<10%
Gross margin	<40%	←————→	>50%
EBITDA margin	<10%	←————→	>25%
Revenue scale	< €20m (Bolt-on)	←————→	> €60m (Platform)
Qualitative factors			
Market positioning	Follower	←————→	Leader
Tech-enablement	Low	←————→	High
Geographic reach	Local	←————→	Global
Local office footprint	Light/ virtual	←————→	Multiple offices
Customer quality	SME	←————→	Enterprise
Customer perception	Low quality	←————→	High quality
Management team	Inexperienced	←————→	Experienced

- ✓ Industry leading technology aligned to AI industry changes in \$70bn industry
- ✓ Large global enterprise customer and partner base to drive channel growth
- ✓ Generating cash and investing \$9m/year into R&D
- ✓ Experienced and consistent management team with global sales and delivery teams
- ✓ Significant opportunity as customer behaviour change drives the industry shift
- ✓ Valuable AI, data and human-in-the-loop technology assets
- ✓ SaaS based token pricing models can deliver higher margins

Global Tech Leader in AI & Automation

- Straker is a leading provider of AI-powered technology solutions.
- We operate globally, specializing in AI/Machine Learning, automation, and localization.
- Our innovative solutions leverage a human-in-the-loop approach with AI co-pilot assistance.
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