ANNUAL REPORT 2022

ASX : STG

STRAKER TRANSLATIONS GROUP

Ai POWERED RAY

THE FUTURE OF GLOBAL COMMUNICATION


/Administration
/Human Resources
/Legal
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/Publicity
/Promotion
/Research
/Business
/Development
/Engineering
/Manufacturing
/Planning

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ABOUT STRAKER

Straker provides next generation language services supported by a state of the art technology stack and robust AI layers 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.

HIGHLIGHTS

Straker Translations (Straker) has delivered another strong year of growth, building its reputation as a changemaker in the international translations sector and consolidated its reputation as a globally capable technology-led translations partner.

▲ $55.9m

Revenue up 78.5% on FY2021 lifted by acquisitions and strong organic growth

▲ $0.2m

Adjusted EBITDA of $0.2m up 194% on 2021

▲ 54.3%

Gross margin, increase of 90 basis point compared to prior year

▲ $15.1m

Strong cash balance following A$25m capital raising in Q1 FY2022

OPERATIONAL HIGHLIGHTS

ACQUIRED Belgium-based IDEST Communication, a company specialising in translations for international institutions including the United Nations and the European Commission.

Revenue per project manager up **39% ON FY2021** as our technology drove productivity improvements.

COMPLETED THE FIRST FULL YEAR of the landmark **STRATEGIC TRANSLATIONS PARTNERSHIP WITH IBM** and benefited from the first full year contribution of the US-based Lingotek acquired in February 2021.

POSITIVE EBITDA and **OPERATING CASH FLOW IN FY22-H2**

DROVE THE INTEGRATION of our Ai-Powered RAY (RAY) Translation platform with the Lingotek and IBM platforms to drive productivity and margin improvements.

CHAIRMAN & CEO'S REVIEW

Dear fellow shareholders,

Straker's reputation over the last year, driven by an acceleration in momentum as a global capable technology-led translations partner, has grown.

After announcing its second consecutive quarter of positive Adjusted EBITDA, Straker is looking to extend that record of earnings accretive growth by continuing to execute on its strategy of gaining a greater share of the localisation spend from its broad network of global enterprise relationships and bringing new customers to the business.

Annual revenue increased 78.5% to $55.9 million from $31.3 million in the same period a year ago, a result that was ahead of guidance for above $50 million. We saw strong organic growth particularly among the global enterprises that have the most to gain from our global reach and technological leadership. We have also benefitted from recent acquisitions.

A key contributor to the result has been the strategic alliance we struck with IBM towards the end of the prior financial year. The alliance has delivered a steady rise in translation volumes. At the end of March, we were translating around 1.8 million words for IBM per month up sharply on the 1 million in January.

We have also expanded the number of languages we translate for IBM from the 55 envisaged at the start of the partnership to 90 now. More than 80% of translations are now being completed automatically, a figure ahead of our service commitments.

In addition to the sharp increase in revenue for Straker, the partnership has validated our ability to scale quickly to meet the demands of a global customer. It has also highlighted our global reach and technological capabilities with the myriad of global enterprises looking to consolidate their translation needs with a single provider.

Our success with IBM, combined with the increased investment we have made into sales and marketing and our new strategies to drive deeper engagement with enterprise clients, has also contributed to growth and assisted with customer wins such as the global electronics giant Panasonic and the sports goods giant Nike. It has also helped to expand our sales pipeline.

Acquisitions

In the fourth quarter of the financial year, we acquired the Belgium-based IDEST Communication, a move that is aligned with our strategy to be a leader in the consolidation of the global translation sector. The acquisition, which is the culmination of a long-standing dialogue between our two companies, delivered on all our acquisition criteria.

It further strengthened our position in Europe, delivered us relationships with key multilateral governance organisations such as the United Nations and the European Union, and offers us the synergistic benefits that will come from the integration of our Ai-Powered RAY translation platform.

Meanwhile, the US-based Lingotek, acquired in the fourth quarter of the prior financial year, has made its first full year contribution to the group, with their revenue up 11% on their prior year's proforma result.

As we mentioned at the half year, in addition to consolidating our position in North America, Lingotek has also bolstered our technology stack. Its translation connector technologies, which allow translations to be delivered directly into customers' systems, and its Software as a Service (SaaS) capabilities offer significant latent value to Straker and its customers.

We expect the consolidation of the translation sector to continue, and we are actively engaged with several translation companies that we believe will complement our global organisation.

> ***Annual revenue increased 78.5% to $55.9m from $31.3 million in the same period a year ago, a result that was ahead of guidance for above $50 million.***

Earnings & funding

It was gratifying to see adjusted EBITDA turn positive in the second half of the year and to deliver a full year result of $0.2 million, a turn-around of $0.4 million on the prior year's result. The transition reflects our determination to deliver profitable growth.

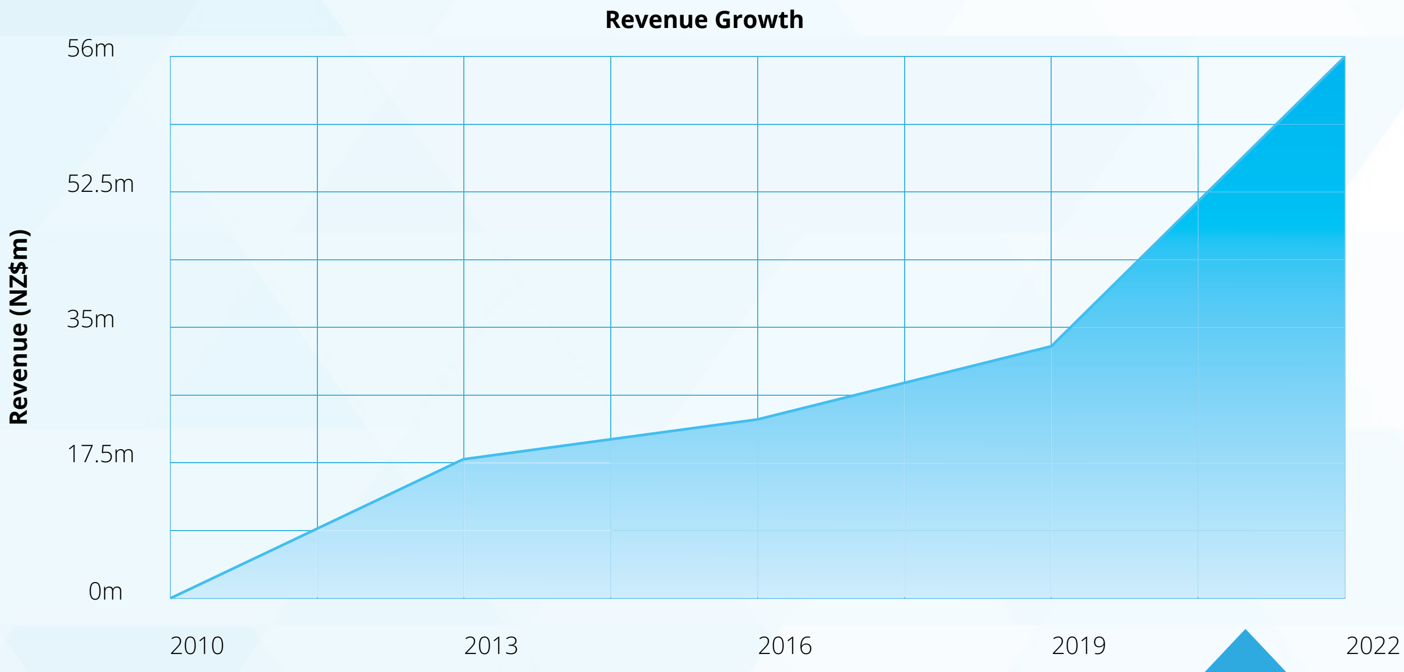
Gross profit rose to $30.4 million from $16.7 million, with gross margins for the year 54%, up on the prior year's 53%. A credible result given the dilution caused by lower margin revenue from the recent acquisition of IDEST and the ramp up in the on-boarding of IBM.

We see immediate potential to drive margin improvements as we continue to integrate IDEST and other acquisitions and transition these businesses to the Ai-Powered RAY translation platform. However, we are also determined to drive incremental productivity improvements, recognising that such changes can deliver a significant uplift in earnings given our scale.

The growing automation we are delivering in the processing of translations is a good example of these improvements. While we are yet to see these efforts in measures of gross margin, we are seeing strong improvements in measures such as revenue per project manager.

Separately, we have also moved to mitigate the margin pressures that come with competition for talent, with the opening of a new office in the Philippines.

We are well funded. We have seen a strong rise to positive operating cash flows in the second half of the year. Our A$25 million capital raising in the first quarter of the financial year further strengthened our balance sheet and we ended the year with cash and cash equivalents at $15.1million.



An Enduring Record Of Growth

Straker Translations has established an enduring record of growth as it has moved from the start-up phase in 2010 through to the present where we are poised to leverage our technology advantage and our growing reputation among transnational enterprises.

1. Initial start-up phase, market validation
2. Market structure headwinds
3. Adapted game plan to acquiring relationships, embedding tech, and expanding from the bottom up
4. Rapid growth as we accelerated growth from expanded customer relationships through our technology offering

Research & development

Straker is determined to become the translation ecosystem of choice for global enterprises. Through this year we have refined our technology with a focus on giving customers choice in how they engage with us and by providing multiple interfaces with their enterprise applications.

The acquisition of Lingotek, which in addition to giving us Software-as-a-Service (SaaS) capabilities and a highly valuable selection of translation connectors, is facilitating this strategy. The SaaS model, for instance, better suits those customers, that want a deep engagement with the translation process, while others prefer the simplicity of an arm's length model.

We are determined to deliver a service stack that meets these differing needs, while at the same time deliver to all customers the speed and efficiency gains that come with the Ai-Powered RAY translation platform.

Research and development spend of $9.1 million for the year represents around 16% of revenue, an increase from last year's 14%, reflecting an increasing spend on, amongst other things, the on-boarding of IBM and Lingotek's SaaS platform.

Key achievements in the past year have included delivering on our service commitments to IBM. Workflow between IBM and the Ai-Powered RAY platform has also been enhanced as the new application programming interface that links IBM's systems with ours is further deployed across IBM's operations.

We also linked the first of Lingotek's connectors to the Ai-Powered RAY platform. The connector, for the website software WordPress, is working well and we are now turning our attention to other connectors such as those that connect our clients' CRM and e-commerce platforms. The team is also working on embedding SaaS services across our technology stack, recognising the strong appetite for these capabilities across our customers. Our initial target is to move SaaS revenues from the current level to around 20% of revenue over time.

Finally, as we mentioned at the half year, our technology team was successful in gaining ISO27001 certification, the gold standard for information security. This accreditation is pivotal to our success in securing the support of the global enterprise clients we are targeting.

Sustainability and people

At Straker we are committed to building a diverse sustainable company that has a positive impact on the community. We have looked at how we can achieve this and decided that B-Corp certification is the gold standard for environmental social and governance credentials (ESG). So, we have set a goal to become B-Corp certified in the 2024 financial year.

A key part of this goal is delivering a strong and vibrant company culture. The past year, with its COVID-related lockdowns and constraints on face to face engagement with colleagues and customers around the world, has presented a considerable challenge to the company and its people.

We have worked hard to overcome these stresses and we have been inspired by how our global team has responded to the significant constraints the pandemic has imposed. On behalf of shareholders, we thank the directors, the senior leadership team, and all our staff for their outstanding effort and their commitment to the vision we all share for the company.

Outlook

Straker is well positioned for the new financial year to deliver on its strategic goals and establish the company as the translation ecosystem for global enterprises.

With the easing of COVID-restrictions and the virus becoming endemic, we expect to convert the growing recognition of our global reach and capabilities into deeper engagement with existing customers and the conversion of this interest into further sales and increased revenues.

The next three years present huge opportunities. We are targeting earnings accretive revenue growth of 20% for the new financial year, with a gross margin exceeding the 54% recorded in the most recent financial year.

We look forward to updating you on our progress at our annual meeting in August.

Phil Norman
Chairman

Grant Straker
Chief Executive Officer

OUR STRATEGY

Straker Translation's strategy is built on innovation and growth. What we achieved during the year.

Repeat Revenue Growth

Use technology and global services to grow our repeating revenue base while maintaining high margins

Ai Driven Technology

Be world leaders in using AI, humans and automation in the translation process

Grow Customer Base

Expand through organic and acquired growth to capture the opportunities and value as the translations industry consolidates

AI Driven Technology Innovation

Our proposition is founded on our advanced Ai-Powered RAY. Our goal is to be the world leaders in using humans and automation in the translation process.

What we achieved in FY2022

- We drove the integration of our systems with IBM and Lingotek
- We processed rapidly mounting volumes of content through our platform from IBM and other customers
- We increased the automation of the translation process
- We deployed the first of the Lingotek translation connectors, which allow customers to connect their systems with our translation management system
- We received ISO 27001 certification, the gold standard for information security, better positioning the company for global enterprise tender opportunities.
- We advanced our goal to be the translation ecosystem of choice by offering tools that enable customers to choose how they engage with us

Grow Our Customer Base

We expand through organic and acquired growth to capture opportunities and value as the translation industry consolidates.

What we achieved in FY2022

- We acquired the Belgium-based translation provider IDEST Communications, a company specialising in translations for international institutions such as the United Nations and the European Commission
- We onboarded IBM in line with our strategic translations partnership agreement and delivered on our service commitments to the company, processing increasing volumes of content through the platform
- Our success with IBM and our growing profile with other transnational businesses is validating the advantages of our technology and our transnational reach
- We built out our sales team to 62 globally with offices in Belgium, Germany, Japan, New Zealand, Philippines, Spain, The Netherlands, UK and USA and have developed a strong pipeline of opportunities to drive organic growth
- We continue to explore consolidation opportunities in the global translation sector

OUR STRATEGY CONTINUED

Grow Repeating Revenue:

Straker uses it's technology and global services capability to grow our repeating revenue base, while maintaining high margins.

What we achieved in FY2022

- Building SaaS capabilities acquired with Lingotek into the Ai-Powered RAY translation platform
- The IBM contract has been extended to 90 languages from the original 55 languages envisaged when we signed the agreement
- We have launched a new sales strategy to drive deeper engagement with existing clients and build enduring relationships with new clients
- We are positioned well for the return of global travel and the resumption of face-to-face engagement with customers

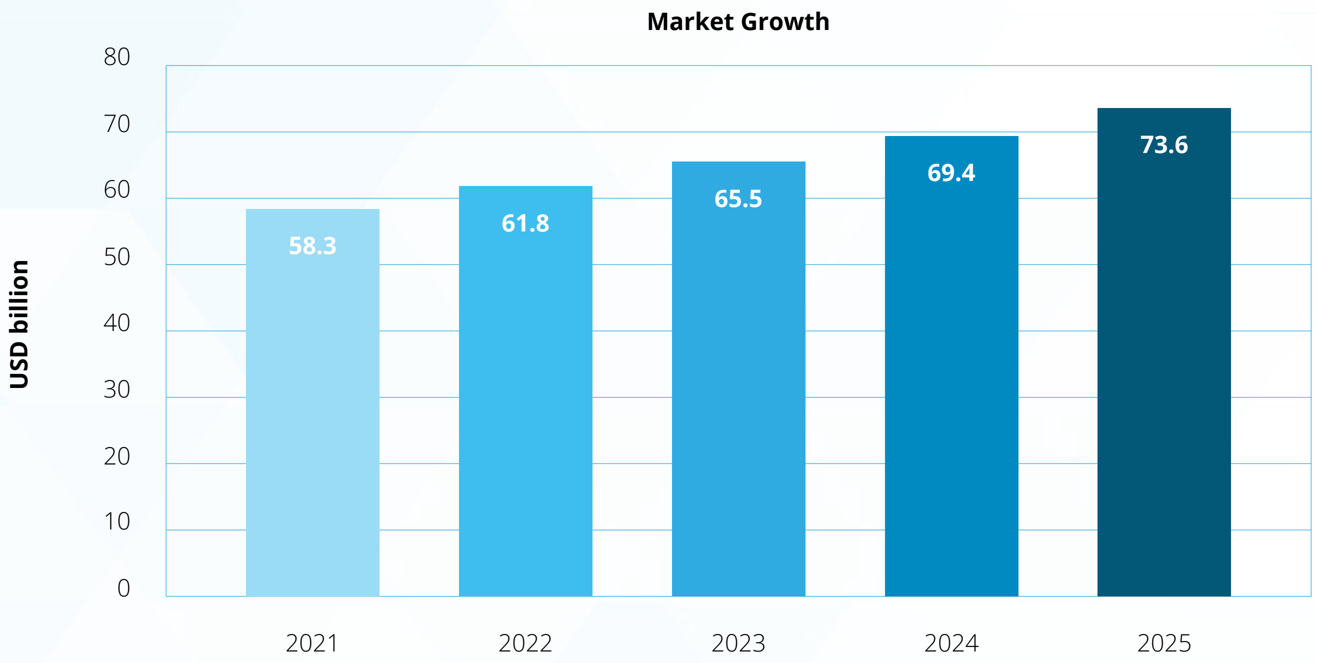
The Next Three Years

The coming three years presents a huge opportunity for Straker to use our unique technology and data assets to grow our revenue and margins.

The global market for language translations is expected to grow at an estimated compound rate of over 6% up until 2025 to US$73.6 billion supported by factors such as increasing levels of globalisation, the rapid increase in online and offline content being produced, the economic emergence of new markets with specific language requirements and European regulatory requirements.

Typical content that is translated includes product brochures, operating manuals, legal documents, and websites. The market is also highly fragmented with over 20,000 providers operating in the sector, the majority of which rely on outdated and cumbersome manual processing of translations.

The top 100 translation companies account for just 15.0% of the overall language industry in 2020, creating opportunities for companies with a technology advantage such as Straker to drive consolidation in the industry. The sector is ripe for disruption



ACQUISITIONS

Participating in the consolidation of the global translations sector.

A presence at the heart of Europe

IDEST Communication snapshot:

Founded: 1990

Staff: 18 full time

Translation network: ~500 freelance translators

Languages: all the EU's official languages

Key clients: United Nations, European Union.

Annual revenue: €4m

Head office: Brussels, Belgium

Acquisition price: €1.75 million initially in cash and shares with a deferred consideration linked to performance.

Straker at the start of this year extended and consolidated it's presence in the multibillion-dollar European market with the acquisition of IDEST Communication.

The acquisition, which follows several years of talks between Straker and IDEST, met all of Straker's acquisition criteria. This builds on the acquisition of MSS, OnGlobal, Eule GmbH and as a direct result Straker now has a physical presence in 6 countries in Europe.

The acquisition offers Straker new relationships with leading global institutions, including the European Commission, the European Parliament, UNESCO, and the United Nations. It offers Straker acquisition synergies, including the gains that will come from the integration of the Ai-Powered RAY translation platform into IDEST.

IDEST customers, which until now have relied on the company to deliver translations in French language pairs, will meanwhile benefit from Straker's capability across a multitude of languages as well as the speed and efficiency gains offered by Straker's technology and global reach.

"We are very happy with Straker acquiring IDEST. They were our top choice for an acquirer given their technology, global services reach and team and cultural fit," says Jean-Paul Dispaux, Head of Sales and founder - IDEST

A long courtship

Straker and IDEST first began to discuss the potential for consolidation in 2017. But at that time the founders, Jean-Paul Dispaux and Odette Liétar, were determined to continue to grow the business. Now having achieved their goals, the duo have seen the benefit of joining the Straker family.

What we look for in acquisition targets

Good base of enterprise customers

Location with strategic value

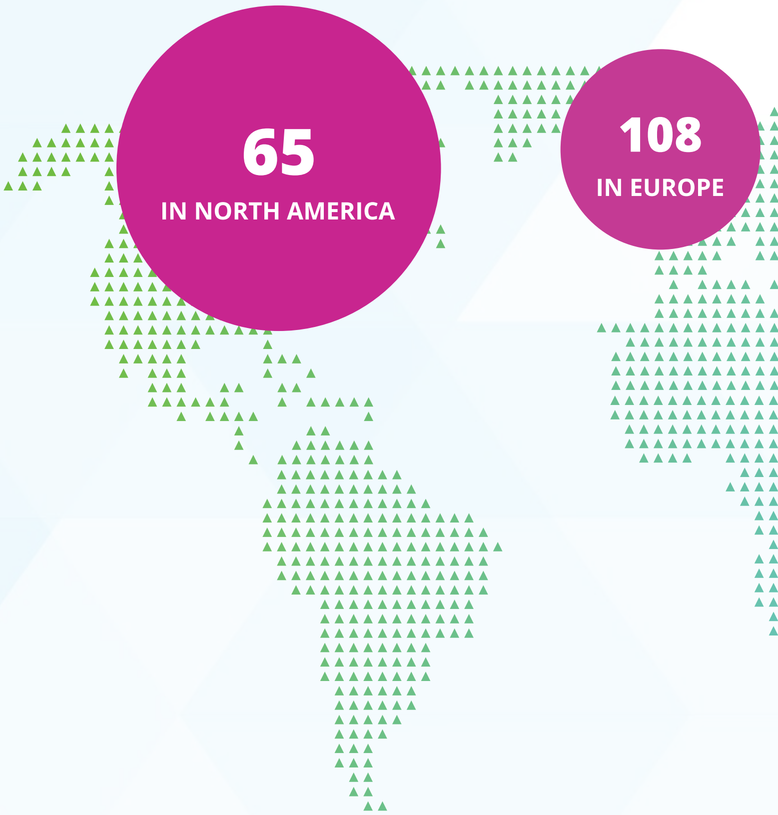
Gross margin uplift guaranteed through Straker technology

Ability to consolidate costs

Strong in-market sales and account management teams

Extensive global reach

ENTERPRISE



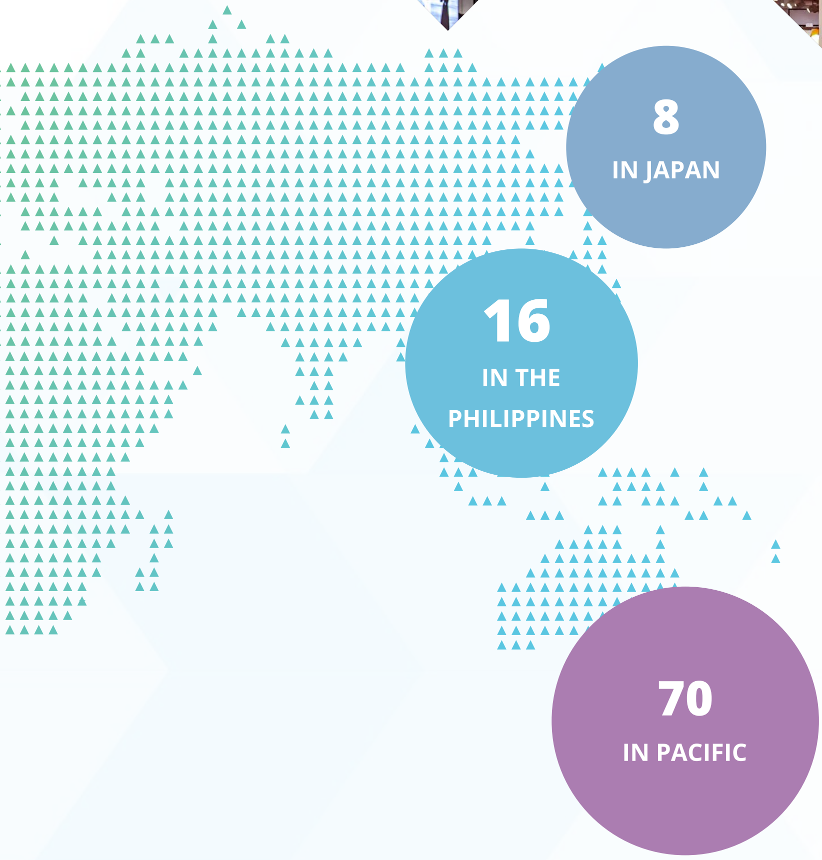
The scale reach to match the world’s largest enterprises and institutions

Straker is building relationships among some of the world’s largest companies amid growing recognition of it’s reach, capability, and the advantages of its technology. Our 25 largest customers span a breadth of industries and geographies from IBM, SAP, and Oracle in the information technology sector to Nike and H&M in the apparel sector, Walmart in retail, Orica in chemicals and the United Nations and the European Union in government.

We have acquired these relationships as we have moved to be a key player in the consolidation of the global translation sector. We have also benefited from the patient work of our sales force, which now numbers nearly 70 people across our global network of 14 offices, as they have worked to both build on existing relationships and build new ones.

Our People

- North America
- Europe
- Pacific
- Japan
- Philippines



IBM supercharging growth

Our success with global enterprises has been supercharged by our multi-year strategic translations alliance with IBM. The agreement, inked in 2020, validated our technology advantage as IBM replaced multiple vendors with Straker's technology-based approach to translation services.

It also validated our ability to scale quickly to meet the demands of a global customer. Volumes through our platform have surged ahead of both IBM and Straker's forecasts from just under 2.2 million words per month at the commencement of the alliance to a steady average of more than 11 million words per month achieved in the first 4 months of 2022 with peaks reaching up to 19 million words. This rise in volume has been accompanied by a surge in multiple revenue streams to Straker.

Straker is supporting all IBM Product & Technical documentation, Legal, Marketing & HR translation content worldwide. Also supporting Corporate Media needs in events such as Think22. The initial agreement covered 55 languages with IBM Adaptive Translations and 33 Languages for IBM Global Media Localisation. We have now moved into translation of 77 languages in this year covering all of IBM's localization & translation needs. The partnership has also seen IBM directly link Straker's proprietary Ai-Powered RAY with IBM's technology platforms.

Over the year we have optimised these links to the extent that more than 80% of translations are now being submitted and returned in an automated manner. We are pleased with the progress we have made and continue to see further opportunities across the IBM group for further partnerships.

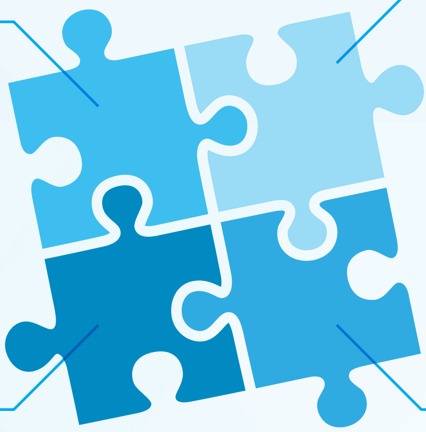
TECHNOLOGY

Setting our software strategy to meet the needs of our customers.

RAY Translation Hub
Customer who want minimal involvement in the process

AI POWERED RAY

RAY Translation Portal



External/Internal Vendors

Lingotek

Lingotek TMS
Customers who want to manage the process initially

Simplifying customers' technology stack and add value through productivity.

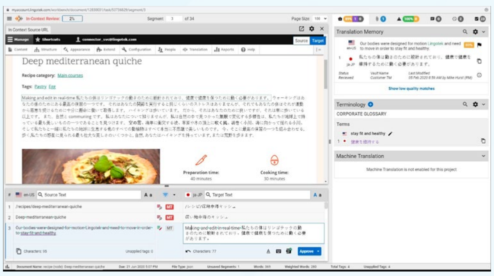
CONNECTORS

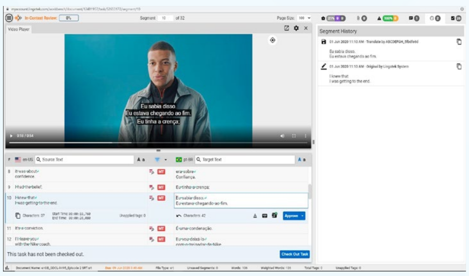
Drupal · salesforce · STINGRAY ENTERPRISE LEVEL API · zendesk · WordPress · Id · Magento

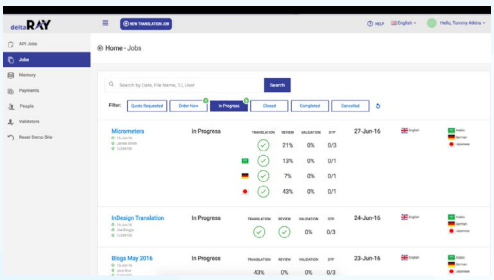
Confluence · sitecore · ORACLE · Marketo An Adobe Company · Adobe Experience Manager

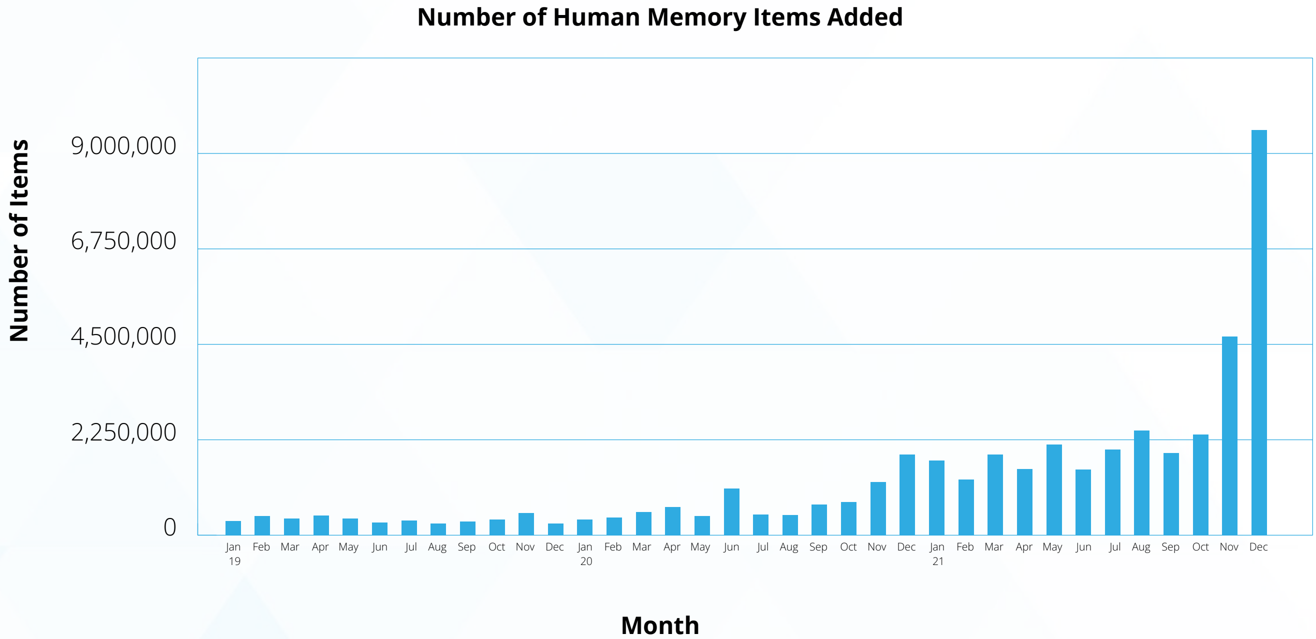
TRANSLATION MANAGEMENT SYSTEM

Minimum input, maximum functionality









Research and development spend for the year represents around 16% of revenue and is supporting our long-term software strategy to drive new business, higher margins, and improved business efficiencies.

The Industry Ecosystem Of Choice

Straker's objective is to be the translation ecosystem provider of choice. We are achieving this goal by giving customers choice in how they engage with us and by providing multiple interfaces with their enterprise applications.

For example, thanks to the SaaS technology we gained through the acquisition of Lingotek in 2020, we offer a subscription service for customers, like the global sportswear giant Nike, who wish to manage translations internally. The Ai-Powered RAY platform meanwhile suits those customers like IBM that want translations to take place at arm's length.

In each case customers get to benefit from the combined strengths of each platform. We are, for instance, steadily integrating the translation connectors we gained from Lingotek into our systems. These connectors link critical business applications with translation management software, avoiding the need for content authors to switch between applications.

Customers can offer translations into our global network of more than 15,000 translators and thereby benefit from the AI-driven analytics that ensure the prioritisation of the best and most productive translators. Alternatively, they can go directly to those translators with whom they have established enduring relationships.

Customers also benefit from the increasing automation we are driving in translations and translation management.

R&D Focus On Driving Productivity

Straker over the last year has seen an acceleration in efficiency gains.

A single number tells the story: operating revenue per project manager (the group's operating revenue divided by the number of project managers, the people who shepherd translations through the Ai-Powered RAY translation platform).

At the start of the year the average revenue per project manager, was $49k per month. But over the last year this has increased steadily and in March it stood at $77K per project manager as we have driven increasing amounts of automation in the Ai-Powered RAY translation platform.

We have achieved this by increasing the automatic processing of translations, from the point a translation enters our systems through to delivering the text back to our customer. We only intervene when our AI identifies an anomaly outside normal tolerances on measures as diverse as the duration of translation times and quality. We call it managing by exception.

The most significant development over the past year has been the further extension of the base Application Programming Interface (API). This has allowed IBM to increase its volume of translation source content pushed, merging of thousands of files and the automatic processing of these through the Ai-Powered RAY translation platform. Other advances include the increased sophistication of analysis of the multiple data points collected by the Ai-Powered RAY platform. Any remaining manual interventions meanwhile throws up opportunities to examine the roadblocks to productivity gains. At present we see no barrier to continuous productivity improvements, as we continue to exploit the data collected by the Ai-Powered RAY platform.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Working towards a global sustainability standard

Targeting B-Corp accreditation

At Straker we are committed to building a diverse, sustainable company that has a positive impact on the community. We have looked at how we can achieve this and decided that B-Corp certification is the gold standard for environmental, social, and governance credentials (ESG). So have set a goal to become B-Corp certified in the 2024 financial year.

Outside of being a company with good ethics and contributing positively to the communities where we work we see strong ESG credentials as good for business.

It is a strong signal to talent that we are a good company to work for. It may also improve our access to growth capital as it opens doors to ESG investors that focus on companies that build sustainability and good corporate citizenship into their DNA.

There are five major categories in B-Corp certification:

Governance

Workers

Community

Environment

Customers

Governance

We are committed to upholding a high standard of corporate governance and work to comply with as far as possible with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations having regard to the nature and size of Straker's operations.

We also take pride in the diversity of our organisation from the Board through to our people across the world. More than half our leaders in the company are women and a third of the Board is from an indigenous minority. Our Chief Executive and Co-founder Grant Straker is Ngāti Raukawa.

Workers

We strive hard to look after our team and promote a culture that recognises and values diversity and accountability and promotes wellbeing, flexibility and financial success.

Community

While we like to contribute to our communities, we still have work to do to match the benchmark set by B-Corp. We are now looking at ways to allow staff to have days off to help with community projects, how we can contribute to local and national projects and what we need to do to give force to our determination to be a good corporate citizen.

Environment

At Straker given the nature of our business as an information technology provider we have a low carbon footprint relative to industrial companies. But we know our information infrastructure and our corporate travel among other things, have a carbon footprint, and we need to examine ways to reduce our impact.

Recognising measurement is the first step, in FY2022 we had engaged sustainability consultants Go Well Consulting to undertake a stock take of where we were at and what was needed to reduce our environmental impact as part of our overall Sustainability Strategy.

Customers

With respect to customer, we share B-Corp's determination to add value to customers and we are proud of our record.

Our Diversity Objectives:

Straker has adopted the following measurable objectives:

- Sustaining current overall gender equity position with no more than a 10% variance;
- Increasing representation by females in leadership positions by 5% YoY; and
- Increasing awareness and inclusion of LGBTTQIA+ employees by a Company-wide awareness programme

We are delighted that we have achieved all of these goals.

MANAGEMENT COMMENTARY

The following commentary should be read in conjunction with the consolidated financial statements and the related notes in this report. Some parts in this commentary include forward looking statements and information on strategy and plans for the business that involve risks and uncertainties. Actual events and the timing of events may vary.

All amounts are presented in New Zealand dollars unless otherwise stated. Straker is a New Zealand incorporated company and has a 31 March year-end balance date. References to FY21 and FY22 refer to the 12 months ended 31 March in the respective years.

Non-IFRS measures

To ensure that the presentation of results fully reflect the underlying performance of the business, Straker Translations Group publishes its key metrics on a non-IFRS basis as well as on an IFRS basis. For transparency purposes, Straker also publishes full reconciliations between IFRS and non-IFRS measures. IFRS refers to New Zealand International Financial Reporting Standards.

Repeat business is revenue from repeat customers (customers who have previously placed an order with Straker, many of whom are enterprise in nature).

Non-operating costs include costs of restructuring activities, IPO costs and other non-recurring consulting costs. The non-IFRS measures have not been independently audited or reviewed.

The obligation to prepare a Directors' Report in section 298 of the Australian Corporations Act 2001 (CA) does not apply to Straker as a New Zealand company. However, the ASX Listing Rules include a separate requirement (ASX LR 4.10.17) requiring all listed entities to include an operational and financial review statement in their Annual Reports which is equivalent to the general information requirements set out in s299 and 299A of the CA. This Management Commentary section is intended to meet this requirement.

Company background

Based in New Zealand, Straker Translations has established itself as a world-leading AI data-driven translation platform powering the global growth of businesses.

Straker has developed a hybrid translation platform that uses a combination of AI, machine-learning and a crowd-sourced translators. The company's cloud- based platform manages the end-to end translation process, leveraging AI, machine-learning (both in-house and third party owned engines) to create a first draft translation and subsequently matches the customer's content with one or more of the approximately 10,000 crowd-sourced human translators for refinement.

This process is managed using Straker's proprietary Ai-Powered RAY platform, which has been developed over eight years and is an enterprise grade, end-to-end, cloud-based platform. By leveraging machine translations and its big data assets, the Ai-Powered RAY platform enables the delivery of faster and more accurate translations, lowering the time and cost to deliver versus traditional translation services. The platform can be integrated directly into customers' systems and consists of a customer dashboard, machine translation integration and modules for assisting and managing translators.

Industry

Straker operates in the language services industry, providing a platform for the translation of written content in both offline and online form. Typical content translated includes product brochures, operating manuals, legal documents and websites.

The global language services market was recently estimated at US$55 billion in 2020 and is projected to reach US$73.6 billion by 2025, growing at a compound annual growth rate of 6.0% .

Key drivers behind the growth of the industry include:

- the increasing level of globalisation, accompanied by the need for localisation of content;
- the rapid increase in content produced, both online and offline, providing an ever-increasing base of content which may require translation;
- the economic emergence of new markets with specific language requirements; and
- regulatory authorities mandating translation of content, particularly in the European Union.

Competitive positioning

The translation services market is highly fragmented with thousands of small companies across the globe offering personalized services to customers in local geographies. Such companies rarely use technology-driven translation platforms and are, therefore, relatively inefficient compared to Straker.

These companies are ideal Straker acquisition targets as we can secure margin improvements from the integration of our sophisticated Ai-Powered RAY platform and synergy benefits from geographic consolidation.

As Straker scales its business, its ability to enhance its offerings is improving, allowing it to compete more effectively for enterprise customers with larger competitors in areas such as video streaming, mobile apps and e-commerce. At this part of the translation market, there is a relatively small number of larger players and Straker is now well positioned to compete with these companies based on its world-class technology capability, its service strength and its global footprint.

Significant changes in the year

During the FY22 year the company made a significant acquisition of the Belgium-based IDEST, which on an annualised basis is contributing an incremental $7million to Straker's revenue. It also onboarded a significant contract from IBM and had a full year contribution from Lingotek which was acquired in February 2021.

Straker's value proposition

The explosion and speed of content creation today means there is more content being created than all the human translators in the world can translate effectively. We could see this happening nearly a decade ago and knew that machines and humans together would be the future of the industry.

That point has now arrived and, using our world-class Ai-Powered RAY translation platform and our global services capability, we are able to deliver solutions to customers that legacy providers in the industry have no ability to match. Our value proposition is based around:

- How we can simplify the translation process - from rapid quoting to advanced customer dashboards and fully integrated Application Programming Interfaces (API) connectors
- How we are able to deliver better value through our platform and our ability to offer differentiated delivery and pricing models
- With offices in 9 countries around the globe offering 24/7 delivery capability and services using more than 10,000 translators we have scale on tap and can deliver large and urgent projects quickly.
- Speed is now a major consideration for customers, so our ability to deliver projects within a short timeframe is of huge value. This includes our ability to automate and increase the speed of the actual translation.
- The combination of our world-class sales and support teams, advanced technology and our geographical reach is a compelling proposition for both large and small customers. With a growing development team, we are continuing to invest in research and development and continue to find more ways to increase the efficiency of the translation process and integration of acquired companies.

MANAGEMENT COMMENTARY CONTINUED

Operating revenues

During the FY22 year the company made a significant acquisition of the Belgium-based IDEST, which on an annualised basis is contributing an incremental $7million to Straker's revenue. It also onboarded a significant contract from IBM and had a full year contribution from Lingotek which was acquired in February 2021.

Revenue growth

Types of goods and services	2022 $'000	2021 $'000	Change %
Language services	50,293	30,293	66%
Subscriptions	5,345	856	524%
Professional services	263	173	52%
	55,901	**31,322**	**78.5%**

Total revenue for the 2022 financial year was $55.9 million, a 78.5% improvement on the prior year's $31.3 million. The increase was driven by a large increase in language services, reflecting a full-year of the IBM contract, and acquisitions including Lingotek, which also contributed $5.3 million in subscription revenue, and IDEST which was acquired in the last quarter of the 2022 financial year. Professional services revenue of $263,000 was generated from value-add services related to the translation management platform.

Revenue by region

	2022	2021	Change
	$'000	$'000	%
APAC	21,518	7,583	184%
EMEA	14,129	14,256	-1%
NAM	20,254	9,483	114%
Total	**55,901**	**31,322**	**78.5%**

Growth in regional revenue largely reflects the same trends as operating revenue growth. Growth in the Asia Pacific region reflected the IBM contract win, which impacted Europe negatively, as the legacy business was previously with them. Growth in North American revenues reflected the full year contribution of Lingotek. Straker also continues to grow from expanding technology-enabled translation services to enterprise customers.

Straker also grew from expanding technology-enabled translation services offered to a number of existing enterprise customers. These gains were moderated by the COVID-19 pandemic, which slowed revenue generation, particularly in the first half of the year.

Gross margin

	2022	2021	Change
	$'000	$'000	%
Gross margin (%)	**54.3%**	**53.4%**	**1%**

Gross margins for the year increased to 54.3% from 53.4% in the same period a year ago, largely reflecting the high-margin Lingotek subscription revenue making a strong contribution to the uplift, offset by the short-term dilutionary impact of the IDEST acquisitions and the on-boarding of IBM.

Straker continues to seek improved gross margin by feeding more translation volume through the Ai-Powered RAY platform.

MANAGEMENT COMMENTARY CONTINUED

Statutory results

	2022 $'000	2021 $'000	Change %
Revenue	55,901	31,322	78%
Gross Margin	**30,381**	**16,718**	**82%**
Gross Margin %	*54.3%*	*53.4%*	*2%*
Other Income	90	562	-84%
Depreciation & Amortisation	(4,511)	(1,801)	-151%
Operating expenses excluding D&A	(30,280)	(17,888)	-69%
Operating expenses	**(34,791)**	**(19,689)**	**-77%**
Percentage of operating revenue	-62.2%	-62.9%	-1.0%
Loss from trading operations	**(4,320)**	**(2,409)**	**-79%**
Percentage of operating revenue	*-7.7%*	*-7.7%*	*0.5%*
Amortisation of acquired intangibles	(2,030)	(1,431)	-42%
Acquisition & Integration costs	(300)	(509)	41%
Operating loss before net finance expense	**(6,650)**	**(4,349)**	**-53%**
Net Finance expense	263	(1,896)	114%
Loss before income tax	(6,387)	(6,245)	-2%
Percentage of operating revenue	*-11.4%*	*-19.9%*	43%
Income tax credit	475	229	107%
Net loss after tax	**(5,912)**	**(6,016)**	**2%**

Revenue for the 2022 financial year was $55.9 million, a 78.5% improvement on the prior year's $31.3 million. The increase was driven by growing recognition of Straker's capabilities from global enterprises with a 39% increase in organic growth as well as contributions from recent acquisitions, Lingotek and IDEST. On a nominal (dollars generated) basis, gross margin was up 82% year-on-year to $30.4 million. Other income dropped due to no COVID subsidies being claimed.

Operating expenses, excluding depreciation and amortisation, of $30.3 million were up 69% on FY21 due to the costs of scaling up to deliver on the new IBM contract, the full year of Lingotek, and the three months of IDEST.

The loss from trading operations increased to $4.3 million with an increased nominal gross margin contribution offset by higher operating expenses and higher depreciation and amortisation. The loss before income tax was $6.4 million, which was marginally higher than the prior year's $6.3 million.

It is important to note the significant turn-around in trading operations from the first half of the year as the prior period investment returns a positve adjusted EBITDA for the year.

Earnings before interest, tax, depreciation and amortisation

	2022 $'000	2021 $'000	Change %
Operating loss before net finance expense	(6,650)	(4,349)	52.9%
Add:			
Depreciation & Amortisation	4,511	1,801	150.5%
Amortisation of acquired intangibles	2,030	1,431	41.9%
EBITDA	**(109)**	**(1,117)**	**90.2%**
EBITDA Margin	-0.2%	-3.6%	94.5%
Acquisition & Integration costs	300	509	-41.1%
Other non operating costs	-	410	-100.0%
Adjusted EBITDA	**191**	**(198)**	**196.5%**
Adjusted EBITDA margin	0.3%	-0.6%	

EBITDA losses narrowed by 90% to $0.1 million from $1.1 million in the prior year reflecting the contribution of acquisitions and organic revenue growth. Adjusted EBITDA, which excludes non-recurring acquisition, integration and other non-operating costs improved 194% to $0.2 million profit from a loss of $0.2 million in the prior year.

Non-operating costs include costs of restructuring activities and non-recurring consulting costs.

Cashflow

	2022 $'000	2021 $'000	Change %
Receipts from customers	50,330	31,444	60%
Other operating cash flows	(52,695)	(31,764)	-66%
Operating cash flow	**(2,365)**	**(320)**	**-639%**
Capital Investment	(2,682)	(1,688)	-59%
Free cash flow	**(5,047)**	**(2,008)**	**-151%**
Investment in acquisitions	(1,924)	(7,202)	73%
Investing cash flow	**(4,606)**	**(8,890)**	**48%**
Proceeds from borrowings	-	8,400	-100%
Repayment of borrowings	(8,400)	(200)	-4100%
Interest & transaction costs paid	(669)	(244)	-174%
Net capital raise	25,841	73	35299%
Lease Liability	(687)	(462)	-49%
Deferred consideration and contingent payments	(993)	(1,937)	49%
Net financing cash flow	**15,092**	**5,630**	**168%**
Net cash flow	**8,121**	**(3,580)**	**327%**
Opening bank balance	**7,175**	**11,228**	**-36%**
Foreign exchange	(165)	(473)	65%
Closing bank balance	**15,131**	**7,175**	**111%**

Receipts from customers were up 60% to $50.3 million, a figure which remains closely aligned to revenue growth with the differences reflecting the timing of payments.

Operating cash outflows for the year increased to $2.3 million from $0.3 million, reflecting the on-boarding of IBM and integration of Lingotek. It is important to note that the second half of the year returned a $1.0 million inflow, a significant milestone, as the benefits of the prior investment are realised. Free cash outflow increased to $5.0 million, with the second half the year returning an inflow of $0.1 million.

Investing cash flows included $1.9 million to acquire IDEST and $2.7 million in capital investment.

Financing cash flows benefited from an $25.8 million capital raise to repay debt of $8.4 million and bolster working capital. Straker continues to make deferred consideration and contingent payments to former shareholders of acquired companies. This year $1.0 million was paid. These payments demonstrate the success of the acquisition strategy for all parties involved.

Total cash inflow for the year was $8.1 million. The second half performance of operating cash flow positive represents a significant turnaround in the face of the challenges of ongoing impacts from the COVID-19 pandemic and rising inflation.

Cash reserves at the end of the period stood at $15.1 million up on the $7.2 million at the end of the same period a year ago. With no debt and substantial cash reserves, the company is in a strong position to continue to deliver on its strategy to be a leader in the consolidation of the global translation sector and support organic growth.

The company is in a strong position to continue to deliver on its strategy to be a leader in the consolidation of the global translation sector and support organic growth.

Strategy to deliver growth

The language industry continues to evolve as technology plays an increasingly important part in the localisation process. Companies like Straker are now providing translation innovation that larger, traditional suppliers cannot match.

At the heart of our success is our market-leading proprietary Ai-Powered RAY technology platform that allows us to deliver faster easier and smarter translations than our competitors. Meanwhile as a smaller and rapidly growing company, Straker has the flexibility to capture market opportunities quickly.

Acquisition strategy

Leveraging these capabilities, we seek to grow revenue organically and through acquisition to capture value and opportunities as the global translation sector consolidates.

We seek companies that have a good base of enterprise customers, that are in locations of strategic value such as developed markets in the Asia Pacific, Europe and the Americas. They must offer the potential for margin uplift as they integrate our technology into their operations, and they also need a strong and committed team.

Securing new customer relationships via acquisitions is frequently easier than developing these relationships via organic sales activity. Once acquired, Straker can offer these customers more innovative solutions that will provide productivity improvements and expansion opportunities. The IBM strategic alliance, delivering significant revenue growth this year, is a strong validation of this approach as the alliance builds on a relationship established by Spain's MSS, which we acquired in 2018.

BOARD OF DIRECTORS

Phil Norman

Independent Non-Executive Chairman

Phil was appointed the Non-Executive Chairman of Straker on 13 January 2014.

He was the founding Chairman of Xero Limited, one of New Zealand's most successful listed technology companies, and retired from Xero's Board in July 2012 after five years' service.

Phil's other current director roles include the Independent Chairmanship of Loyalty New Zealand Limited (New Zealand's largest loyalty company and operator of Fly Buys), Chair of NZX and ASX listed Plexure Group Limited (a customer engagement software company), Chair of NZX listed Just Life Group Limited (a water cooler, home ventilation and supplements business) and Chair of Touchpoint Group Limited (a software company specialising in customer interaction platforms).

Phil is a past Chairman of the New Zealand Private Equity and Venture Capital Association and was for six years a member of New Zealand Trade and Enterprise's New Zealand Beachheads Advisory Board.

Phil holds an MBA from the University of Auckland and is a Chartered Member of the New Zealand Institute of Directors.

Grant Straker

CEO and Co-Founder

Prior to founding Straker in 1999, Grant served in the British Army as an elite paratrooper.

As a co-founder of Straker, Grant has extensive experience in the language translation market.

Grant was appointed to the board on 21 December 1999.

Grant's wide-ranging technical, sales and business skills, combined with his strong entrepreneurial drive, have placed him in an ideal position to help accelerate the growth of Straker.

Grant is a member of the NZ Institute of Directors.

Along with Merryn Straker, Grant was the winner of the 2018 master category for NZ Entrepreneur of the Year.

Tim Williams

Independent Non-Executive Director

Tim was appointed a Non-Executive Director of Straker on 24 June 2015.

He founded ValueCommerce Co. Ltd in 1996.

Tim is one of the original pioneers in the Japanese internet and advertising industry. His vision and record of achievement are demonstrated by the success and growth of ValueCommerce Co. Ltd. Tim founded ValueCommerce, an internet affiliate marketing company, selling a 49% stake to Yahoo Japan in 2005. Subsequently in 2007, ValueCommerce was listed on the Tokyo Stock Exchange.

Tim is also a Director of The Icehouse, The University of Auckland's technology incubator, and is a General Partner in The Icehouse linked fund Tuhua Ventures, which invests in high growth start-ups in New Zealand.

Tim holds a Bachelor of Science (Hons) in molecular genetics from the University of Canterbury.

Amanda Cribb

Independent Non-Executive Director

Amanda was appointed as a Straker Director on 20 July 2020. She is an experienced executive with extensive experience in the technology sector including more than 15 years in executive leadership roles. She has expertise in finance, transformation, strategy, corporate investment and M&A, and has a proven track record as a change agent in high growth companies. Until recently, Amanda was Group CFO, Company Secretary and Head of Transformation and Strategy for Datacom Group, New Zealand's largest technology company.

At Datacom, Amanda was responsible for finance, strategy, commercial, legal and risk operations across the Group. Prior to her role at Datacom, Amanda spent ten years at IT consulting company Zag Limited vars as CFO and Company Secretary.

In this role, Amanda had leadership of finance, people, technology, and commercial operations and helped drive the Company through its early stage growth. Amanda is a full member of Chartered Accountants Australia & New Zealand (CA ANZ) and a member of the New Zealand Institute of Directors.

Steve Donovan

Non-Executive Director

Steve was appointed a Non-Executive Director of Straker on 1 December 2004.

He is a former partner of Ernst & Young. He qualified as a Chartered Accountant in the UK and has operated within the IT and finance industry in New Zealand for a number of years.

Steve has significant experience as a director and investor in the SME sector in New Zealand, including a Finance Director role at accounting software provider, Greentree Software Group, which was sold to MYOB in 2016. Other current directorships include, Buro Seating Limited (office chair wholesaler) and New Zealand Pure Dairy Products Limited (infant formula manufacturer).

Steve is Straker's former Chief Financial Officer and has been working with technology companies across a range of industries. Steve holds a Bachelor of Economics from the University of Lancaster and is a qualified Chartered Accountant and a current member of the Institute of Chartered Accountants in England and Wales.

Paul Wilson

Non-Executive Director

Paul was appointed a Non- Executive Director of Straker on 22 September 2015.

He is a co-founder of ASX listed Bailador Technology Investments (which is a major shareholder of Straker). He has had extensive private equity investment experience as a director of CHAMP Private Equity in Sydney and New York, with MetLife in London, and as executive director at media focussed investment group, Illyria.

Paul is a director of SiteMinder, Stackla, the Rajasthan Royals IPL cricket franchise and ASX listed Vita Group Limited. Paul holds a Bachelor of Business (Banking and Finance), from Queensland University of Technology and is a Fellow of the Financial Services Institute of Australia, a Member of the Institute of Chartered Accountants of Australia and a Member of the Australian Institute of Company Directors.

MANAGEMENT TEAM

Grant Straker

CEO and Co-Founder

Prior to founding Straker in 1999, Grant served in the British Army as an elite paratrooper.

As a co-founder of Straker, Grant has extensive experience in the language translation market.

Grant was appointed to the board on 21 December 1999.

Grant's wide-ranging technical, sales and business skills, combined with his strong entrepreneurial drive, have placed him in an ideal position to help accelerate the growth of Straker. Grant is a member of the NZ Institute of Directors. Along with Merryn Straker, Grant was the winner of the 2018 master category for NZ Entrepreneur of the Year.

Merryn Straker

Chief Operating Officer

In her role as Chief Operating Officer, Merryn oversees Straker Translations' global production systems and teams, making sure that every touch point within the company runs smoothly – from client projects to finance and everything in between. Merryn is also Also responsible for the Integration team for new acquisitions and the Product team for product development. She has a Bachelor of Management Studies (majoring in Management and HR), from Waikato University.

Kim Andrews

Chief People Officer

Kim works alongside the leadership team to provide operational support to improve the performance, production, and efficiency of the business. Her primary responsibilities include managing every aspect of human resources and administering best practice, plus overseeing day-to-day office operations, the coordination and supervision of policies and procedures, and employee engagement. Prior to joining Straker – Kim was in the Telco industry for 16 years and has a strong background in Leadership, HR and Credit Management.

David Ingram

Chief Finacial Officer

As CFO, David is responsible for all the company's financial functions including accounting, audit, treasury, corporate finance, and investor relations. Before joining Straker, David was CFO at Ultra Commerce, a digital commerce software business based out of Sydney, and prior to this, CFO at ASX/NZX listed Gentrack and CFO of Zeacom (now part of Enghouse Systems). His career spans more than 25 years of varied experience in financial management, business leadership and corporate strategy.

David Sowerby

Chief Revenue Officer

David has more than ten years' experience in the Internet and tech industry. He is the sales manager at Straker Translations and founder of Sportsys Pty Ltd. His background in statistics and data analysis and his strong entrepreneurial drive helps accelerate the growth of several early-stage ventures. He has proven experience in building businesses and has been directly responsible for growing several companies from start-up phase and growing start-up units within larger organisations. David has an Undergraduate Degree in Science from the University of Queensland, a Graduate Diploma in Management from CQU and a Masters of Business Administration from Trinity College Dublin.

Indiver Nagpal

Chief Platform Officer

Indy has been working in web application development for more than 17 years at various companies in the US, Canada, Australia, India and New Zealand. Over the years, Indy has been involved in different aspects of software development from programming to project management, content development, training and consulting. As the CPO of Straker Translations, Indy is responsible for setting the technical direction of the company across its multilingual translation product sets.

STRAKER TRANSLATIONS LIMITED AND GROUP

Financial report

For the year ended 31 March 2022

STRAKER TRANSLATIONS LIMITED AND GROUP
Financial statements content

STRAKER TRANSLATION LIMITED AND GROUP
Directors' responsibility statement
For the year ended 31 March 2022

The Directors are pleased to present the consolidated financial statements of Straker Translations Limited for the year ended 31 March 2022.

The Directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of the Straker Translations Limited Group as at 31 March 2022 and the results of their operations and cash flows for the year ended 31 March 2022.

The Directors consider that the consolidated financial statements of the Group have been prepared using accounting policies appropriate to the Group's circumstances, consistently applied, and supported by reasonable and prudent judgements and estimates and that all applicable New Zealand equivalents to International Financial Reporting Standards have been followed

The Directors have responsibility for ensuring that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and enables them to ensure that the financial statements comply with the Financial Reporting Act 2013.

The Directors have responsibility for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that adequate steps have been taken to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Approved for and on behalf of the Board of Directors on 31 May 2022.

Phil Norman
Chairman

Grant Straker
Chief Executive Officer

BDO Auckland

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF STRAKER TRANSLATIONS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Straker Translations Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with *Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out other services for the Group in the areas of taxation advice services and corporate finance services. The firm has no other relationship with, or interests in, the Company or any of its subsidiaries.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Business combination completed in the current year - IDEST Communication SA

Key Audit Matter

The acquisition of the IDEST Communication SA ("IDEST") business and assets has occurred in the year.

The financial reporting of the acquisition involves determining the fair value accounting for assets acquired and liabilities assumed, as well as the identification of separately identifiable intangible assets. As a result, the Group has recognised a customer relationship intangible asset. There is a significant level of judgement required to determine the fair value of assets, liabilities and intangible assets.

In addition, part of the consideration payable for the acquisition is contingent on future financial performance, resulting in the recognition of a contingent consideration liability. As recognition is dependent on forecast revenue and margin levels when compared to the prescribed targets, the liability is subject to significant judgement and estimation uncertainty around the assumptions and inputs to management's forecast calculations, and are prone to bias.

Refer to note 12 (business combination completed in the current year), note 14.3 (customer relationship assets), note 18.2 (contingent consideration) of the consolidated financial statements.

How The Matter Was Addressed in Our Audit

Fair value accounting for assets acquired and liabilities assumed as part of the business combination

- We obtained Management's assessment of identifiable assets acquired and liabilities assumed in the acquisitions, and we performed audit procedures on the book value of assets and liabilities at acquisition date to identify any recorded fair value adjustments.

Intangible assets acquired as part of the business combination

- We obtained Management's assessment of identifiable intangible assets acquired in the acquisitions, and we reviewed their assessment against our expectations of likely intangible assets, based on our review of the sale and purchase agreements and our understanding of similar acquisitions.
- We obtained Management's fair value calculation for intangibles acquired in the business combinations, which included a customer relationship asset. The calculation was prepared in conjunction with an external valuation expert. We assessed the competence and independence of Management's external valuation expert, and challenged the expert as to the scope, methodology, findings and conclusions of their work.

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Business combination completed in the current year - IDEST Communication SA (continued)

How The Matter Was Addressed in Our Audit (continued)

Intangible assets acquired as part of the business combination (continued)

- We reviewed the key financial inputs to the fair value calculation to supporting documentation, including the existence of any contractual arrangements, historical financial data, cash flow forecasts and our understanding of the businesses.
- We engaged our internal valuation experts to review the valuation methodology used and the discount rate used.

Contingent consideration liability

- We reviewed the sale and purchase agreement to identify the contingent consideration clauses and relevant earn out targets.
- For earn out clauses based on achieving revenue and margin targets for future periods from the date of acquisition, we have performed the following procedures:
    - Compared actual revenue performance since acquisition to the earn out target.
    - Compared future forecast revenue to Management-prepared budgets.
    - Challenged Management's assumptions and inputs to the budgets, focussing on revenue by customer, historical financial information (including prior to acquisition).
- We re-performed Management's contingent consideration liability calculation based on actual and forecast revenue and margin to the prescribed earn out target.
- We have evaluated the adequacy of the disclosures of contingent consideration to ensure that they adequately disclose the key judgements and estimates made.

Goodwill impairment

Key Audit Matter

The Group has recognised goodwill on historical acquisitions, as well as for the IDEST Communication SA ("IDEST") business combination, which was acquired in the year.

The total goodwill balance of $15.242m at 31 March 2022 is subject to an annual impairment test in accordance with NZ IAS 36 *Impairment of Assets*, which includes goodwill resulting from the IDEST business combination of $4.425m.

Management performed their impairment test by considering the recoverable amount of the Group's goodwill using a value in use calculation. This calculation is complex and subject to key inputs and assumptions, such as discount rates, terminal growth rates and future cash flows, which inherently include a degree of estimation uncertainty and are prone to potential bias or inconsistent application.

How The Matter Was Addressed in Our Audit

- We have obtained Management's value in use calculations prepared for each of the cash generating units and evaluated the key inputs and assumptions. The key inputs included revenue, growth rates, gross margin, costs, discount rates, and terminal growth rates.
- We assessed the accuracy of previous forecasts to actual performance in order to form a view on the reliability of management's forecasting ability. We have considered the sensitivity of key assumptions to the value in use calculations. We tested the mathematical accuracy of the value in use calculations. We have performed this in order to identify the cash generating units that required closer scrutiny.

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Goodwill impairment (continued)

Key Audit Matter (continued)

Refer to note 14.4 goodwill of the consolidated financial statements.

How The Matter Was Addressed in Our Audit (continued)

- We engaged our internal valuation experts to assess that the methodology used is consistent with NZ IAS 36 *Impairment of Assets*, and to ensure appropriate discount rates were used.
- We reviewed disclosures in the consolidated financial statements, including impairment sensitivity analysis, to the requirements of the accounting standard.
- We have compared the carrying value of the CGUs' assets to the recoverable amount determined by the impairment test to identify any impairment losses.

Contingent acquisition consideration - Lingotek Straker LLC

Key Audit Matter

As part of the consideration for the historical acquisition of Lingotek Straker LLC ("Lingotek"), management previously recognised $2.246m of contingent consideration liabilities in the prior period.

The liabilities are contingent on the future revenue and margin performance of the acquired entity over a period of two years.

Management has re-assessed the probability of the acquired subsidiary achieving the revenue and margin targets in the earn out periods. This has resulted in the Group recognising a gain on fair value of the contingent consideration liability of $1.974m to profit or loss in the year as a result of earn out targets no longer being forecast to be met.

As recognition is dependent on forecast revenue levels when compared to the prescribed revenue targets, the liabilities are subject to significant judgement and estimation uncertainty around the assumptions and inputs to management's forecast calculations and are prone to bias.

Refer to note 13 (business combination completed in the prior period) and note 18.2 (contingent consideration) of the consolidated financial statements.

How The Matter Was Addressed in Our Audit

- We reviewed the sale and purchase agreement to identify the contingent consideration clauses and relevant earn out targets.
- We re-calculated the gain on fair value of contingent consideration liability of $1.974m in relation to the Lingotek cash generating unit. We confirmed that the earn out target for the first 12 months from date of acquisition was not achieved in full.
- We reviewed management's assertion that the earn out target for the second year from date of acquisition will not be achieved based on actual and forecast revenue performance.
- We reviewed the consolidated financial statement disclosures against the accounting standards.

Independent auditor's report

to the shareholders of Straker Translations Limited

BDO Auckland

Other Information

The directors are responsible for the other information. The other information comprises the Appendix 4E Report and Annual Report (which we obtained prior to the date of this auditor's report), but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at: https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Richard Croucher.

BDO Auckland

BDO Auckland
Auckland
New Zealand
31 May 2022

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STRAKER TRANSLATION LIMITED AND GROUP

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 March 2022

	Notes	2022 $'000	2021 $'000
Revenue	4	55,901	31,322
Cost of sales		(25,520)	(14,604)
Gross margin		**30,381**	**16,718**
Other income	5	90	562
		30,471	17,280
Selling and distribution expenses		(15,504)	(8,989)
Administration expenses		(19,287)	(10,700)
Loss from trading operations before amortisation of acquired intangibles, acquisition and integration costs and net finance costs		**(4,320)**	**(2,409)**
Amortisation of acquired intangibles	14.3	(2,030)	(1,431)
Acquisition and integration costs		(300)	(509)
Operating loss before net finance expense	6	**(6,650)**	**(4,349)**
Finance income		2,140	162
Finance expense		(1,877)	(2,058)
Net finance expense	7	263	(1,896)
Loss before income tax		**(6,387)**	(6,245)
Income tax credit	8	475	229
Loss for the year after tax attributable to shareholders		**(5,912)**	(6,016)
Other Comprehensive Income			
Items that may be reclassified to profit or loss, net of tax			
Foreign currency translation differences		401	732
Total Comprehensive Income for the year attributable to shareholders		**(5,511)**	**(5,284)**
Earnings per share for the year attributable to the owners of the parent			
Basic and diluted earnings per share (cents)	9	(8.83)	(11.25)

The above statement should be read in conjunction with the notes to and forming part of the financial statements

STRAKER TRANSLATION LIMITED AND GROUP

Consolidated statement of changes in equity

for the year ended 31 March 2022

	Notes	Share Capital	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total Equity
Group – 31 March 2022		**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance 1 April 2021		**42,529**	**(22,305)**	**460**	**(623)**	**20,061**
Loss for the year		-	(5,912)	-	-	(5,912)
Foreign currency translation differences		-	-	-	401	401
Total comprehensive income for the year		**-**	**(5,912)**	**-**	**401**	**(5,511)**
Transactions with owners in their capacity as owners						
Issue of share capital	21	27,405	-	-	-	27,405
Cost of issue of share capital	21	(1,138)	-	-	-	(1,138)
Share option cost expensed	27		-	370	-	370
Balance 31 March 2022		**68,796**	**(28,217)**	**830**	**(222)**	**41,187**

	Notes	Share Capital	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total Equity
Group – 31 March 2021						
Balance 1 April 2020		**40,786**	**(16,289)**	**323**	**(1,355)**	**23,465**
Loss for the year		-	(6,016)	-	-	(6,016)
Foreign currency translation differences		-	-	-	732	732
Total comprehensive income for the year		**-**	**(6,016)**	**-**	**732**	**(5,284)**
Transactions with owners in their capacity as owners						
Issue of share capital	21	1,759	-	-	-	1,759
Cost of issue of share capital	21	(16)	-	-	-	(16)
Share option cost expensed	27	-	-	137		137
Balance 31 March 2021		**42,529**	**(22,305)**	**460**	**(623)**	**20,061**

The above statement should be read in conjunction with the notes to and forming part of the financial statements

STRAKER TRANSLATION LIMITED AND GROUP
Consolidated statement of financial position
For the year ended 31 March 2022

Consolidated Statement of Financial Position

		2022	2021
Current Assets	**Notes**	**$'000**	**$'000**
Cash and cash equivalents		15,131	7,175
Trade receivables	10	12,218	5,752
Other assets and prepayments	11	1,827	3,074
Total Current Assets		**29,176**	**16,001**
Non–current Assets			
Capitalised software development	14.1	4,606	3,198
Purchased computer software	14.2	7,169	9,939
Customer relationship assets	14.3	4,380	4,845
Goodwill	14.4	15,242	10,817
Plant and equipment		364	335
Right-of-use assets	19	1,634	653
Total Non–current Assets		**33,395**	**29,787**
Total Assets		**62,571**	**45,788**
Current Liabilities			
Trade payables	15	4,170	2,971
Sundry creditors and accruals	16	5,234	2,655
Contract liability	17	3,779	5,234
Holiday pay liability		1,132	813
Deferred consideration	18.1	1,401	-
Contingent consideration	18.2	1,348	1,435
Lease liabilities	19	463	629
Loans and borrowings	20	-	8,400
Total Current Liabilities		**17,527**	**22,137**
Non-current Liabilities			
Contingent consideration	18.2	1,230	1,899
Lease liabilities	19	1,421	334
Deferred tax liability	8	1,206	1,357
Total Non-current Liabilities		**3,857**	**3,590**
Total Liabilities		**21,384**	**25,727**
NET ASSETS		**41,187**	**20,061**

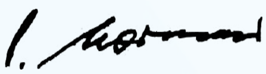
The above statement should be read in conjunction with the notes to and forming part of the financial statements

STRAKER TRANSLATION LIMITED AND GROUP
Consolidated statement of financial position
as of 31 March 2022

Consolidated Statement of Financial Position (Continued)

		2022	2021
Equity	**Notes**	**$'000**	**$'000**
Share capital	21	68,796	42,529
Foreign currency translation reserve		(222)	(623)
Share option reserve	27	830	460
Accumulated losses		(28,217)	(22,305)
TOTAL EQUITY		**41,187**	**20,061**

Approved for and on behalf of the Board of Directors on 31 May 2022.



Phil Norman
Chairman

Grant Straker
Chief Executive Officer

The above statement should be read in conjunction with the notes to and forming part of the financial statements

STRAKER TRANSLATION LIMITED AND GROUP

Consolidated statement of cash flows

For the year ended 31 March 2022

Cash flows from operating activities	Notes	2022 $'000	2021 $'000
Receipts from customers		50,330	31,444
Government grants and tax incentives		93	403
Interest received		-	19
Payments to suppliers and employees		(52,788)	(32,186)
Net cash used in operating activities	**28**	**(2,365)**	**(320)**
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	29
Payments for capitalised software development		(2,457)	(1,497)
Payments for plant & equipment		(225)	(220)
Payments for acquisition of businesses and subsidiaries, net of cash acquired	**12**	(1,924)	(7,202)
Net cash used in investing activities		**(4,606)**	**(8,890)**
Cash flows from financing activities			
Proceeds from borrowings		-	8,400
Payment of borrowings		(8,400)	(200)
Bank loan interest paid		(602)	(183)
Interest expense on leases		(67)	(61)
Proceeds from issue of shares	21	26,979	93
Cost of share issue		(1,138)	(20)
Lease liability payments		(687)	(462)
Payment of deferred consideration		-	(561)
Payment of contingent consideration		(993)	(1,376)
Net cash from financing activities		**15,092**	**5,630**
Net (decrease) in cash and cash equivalents		8,121	(3,580)
Effect of exchange rate on foreign currency balances		(165)	(473)
Cash and cash equivalents at beginning of the year		**7,175**	**11,228**
Cash and cash equivalents at end of the year		15,131	7,175

The above statement should be read in conjunction with the notes to and forming part of the financial statements

1. Reporting entity and statutory base

Straker Translations Limited ("the Company" or "parent") is a company domiciled in New Zealand and registered under the New Zealand Companies Act 1993 and is listed on the Australian Securities Exchange (ASX). The audited consolidated financial statements of Straker Translations Limited and its subsidiaries (together, "the Group" or "Straker") have been prepared in accordance with the requirements of New Zealand Companies Act 1993 and the Financial Reporting Act 2013.

For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP"), the Group is a Tier 1 for-profit entity.

The principal activity of the Group is the provision of language & subscription services.

2. Basis of preparation

The financial statements comply with NZ GAAP, New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards.

The financial statements are presented in New Zealand dollars (NZD), which is also the functional currency of the parent company. Amounts are rounded to the nearest thousand dollars ($'000) in the financial statements.

The preparation of financial statements in compliance with NZ IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise Judgement in applying the Group's accounting policies.

a) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except as noted in the accounting policies.

b) New standards, interpretations and amendments effective from 1 April 2021

There were no new standards, interpretation and amendments impacting the Group that have been adopted in the annual financial statements for the year ended 31 March 2022.

There are no new standards, interpretations and amendments that are expected to have a material impact on the Group's financial statements for the year ending 31 March 2023.

c) Use of estimates and judgements

The preparation of the financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The directors have applied significant judgement in the Group's going concern assessment (refer Note 2d).

i) Business combination complete in the current and prior period (Notes 12 and 13) and contingent consideration liabilities (Note 18)

The directors have made significant judgements in respect of the accounting of business combinations by considering the fair value of the assets and liabilities acquired, in particular customer relationship intangible assets and software intangible assets, and by considering the likelihood of the acquirees achieving revenue and gross margin earn out targets in determining the contingent consideration liabilities.

ii) Goodwill (Note 14.4)

The directors have made significant judgement in considering the assumptions and inputs in the value-in-use calculations used to support the carrying value of goodwill.

iii) Capitalised software development (Note 14.1)

The Group has considered costs associated with software development and capitalised those that meet the criteria of their accounting policy. Judgement is required particularly in respect of meeting those criteria.

iv) Revenue (Note 4) and Contract asset (Note 11.1) and Contract liability (Note 17) recognition

Language services revenue

Language services revenue determined to be earned but not yet invoiced is accrued as a contract asset and recorded under current assets on the Statement of Financial Position when it is probable that economic benefits will flow to the Group.

Language services revenue received in advance for services not yet performed are deferred as contract liability on the Statement of Financial Position until the percentage of completion of services is sufficient to ensure it is probable that economic benefits will flow to the Group.

Subscriptions

Subscription revenues received in advance for services not yet performed are deferred as contract liability on the Statement of Financial Position and recognised over time on a straight line basis over the duration of the contract.

d) Going concern

The directors have prepared the financial report on a going concern basis.

The Group has positive net current assets of $11.649 million (2021: negative net current assets of $6.1 million) as a result of A$25 million equity capital raised in the current year.

At the date of this report the directors are satisfied there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis due the following factors:

- The directors monitor the Group's cash position and, on an on-going basis, consider a number of options to ensure that adequate funding continues to be available.
- Cash flow forecasts have been prepared for a period to 31 May 2023 that indicate that the Group will be able to continue meet its obligations as and when they fall due.

3. Segment reporting

The Group provides language services and language technology via subscriptions to its customers.

The Group's operating segments are each of the Company and its subsidiaries, and these are grouped as territories by geographical region as reportable segments as there are regional managers responsible for the performance of the Group entities within their territories. The geographical regions are Asia Pacific (APAC), Europe, Middle East and Africa (EMEA) and North America (NAM).

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Board of Directors, Chief Executive Officer, Chief Operating Officer and the Chief Financial Officer.

Segment financial performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Inter-segment sales are minimal.

The Group's only customer exceeding 10% of revenue is IBM, contributing $14.8 million in revenue.

Reports provided to the chief operating decision maker do not identify assets and liabilities per segment. Assets and liabilities are instead presented on a consolidated basis as they are throughout the consolidated financial statements. Also, the Group's financing (including finance costs and finance income), amortisation of intangible assets, acquisition and integration costs and income taxes are managed on a Group basis and are not provided to the chief operating decision makers at the reportable segment level.

3. Segment reporting (Continued)

Year ended 31 March 2022	**APAC**	**EMEA**	**NAM**	**TOTAL**
Revenue	**$'000**	**$'000**	**$'000**	**$'000**
Language services	21,516	14,129	14,648	50,293
Subscriptions	-	-	5,345	5,345
Professional services	2	-	261	263
Other income	65	17	8	90
Total income	**21,583**	**14,146**	**20,262**	**55,991**
Cost of sales, Selling and distribution and Administration expenses	(21,954)	(15,150)	(23,207)	(60,311)
Segment contribution	**(371)**	**(1,004)**	**(2,945)**	**(4,320)**

Year ended 31 March 2021	**APAC**	**EMEA**	**NAM**	**TOTAL**
Revenue	**$'000**	**$'000**	**$'000**	**$'000**
Language services	7,593	14,246	8,454	30,293
Subscriptions	-	-	856	856
Professional services	-	-	173	173
Other income	452	109	1	562
Total income	**8,045**	**14,355**	**9,484**	**31,884**
Cost of sales, Selling and distribution and Administration expenses	(7,490)	(16,050)	(10,753)	(34,293)
Segment contribution	**555**	**(1,695)**	**(1,269)**	**(2,409)**

Reconciliation from segment contribution to loss before tax	**2022**	**2021**
	$'000	**$'000**
Segment contribution	(4,320)	(2,409)
Amortisation of acquired intangibles	(2,030)	(1,431)
Acquisition and integration costs	(300)	(509)
Net finance income / (expense)	263	(1,896)
Loss before income tax	**(6,387)**	**(6,245)**

4. Revenue

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects revenue dependent on factors such as input hours, words translated, and costs incurred. Normally these factors are known at time of recognition. If estimates are required, these are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue.

The accounting policy and key judgements for the Group's material revenue streams are outlined below.

Language services

The Group's Language Services contracts with customers provide for the Group to be reimbursed for their performance under the contract as the work is undertaken.

The Group's performance obligations towards customers, in the majority of the Group's contracts, are for the provision of language services as a single delivery.

As the Group has an enforceable right to remuneration for the work completed up to that stage and there is no alternative use for the translated asset, the Group recognises revenue over time for this performance obligation.

The Group measures the completeness of this performance obligation using input methods. The relevant input method is the cost incurred to date as a proportion of total costs, in determining the progress towards the completion of the performance obligation for Language Services contracts.

Language services revenue determined to be earned but not yet invoiced is accrued as a contract asset and recorded under current assets on the Statement of Financial Position when it is probable that economic benefits will flow to the Group.

Subscriptions

The Group recognises revenue pursuant to software licence agreements upon the provision of access to its customers of the Group's intellectual property as it exists at any given time during the period of the licence.

The Group's Subscription revenue is derived from software platform access and support services contracts with customers.

The Group has determined that the software access and support services are only one performance obligation, which is to provide the platform services to the customers over the contracted period. The customer could not benefit from deployment of the platform on its own and separately from the platform access, and as such there is no distinct performance obligation.

The customer receives and consumes the benefit as the Group performs its performance obligation, therefore control is transferred over time.

Revenue is therefore recognised over the duration of the agreement or for as long as the customer has been provided access, when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is probable.

Revenue received for services not yet performed are deferred as a contract liability on the Statement of Financial Position, and recognised over the contract period as the performance obligation is completed.

Professional services

Professional services revenue comprises fees charged for value-add services which are one-off charges. Revenue is recognised over time based on input hours.

4. Revenue (Continued)

a. Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2022 $'000	2021 $'000
Language services	50,293	30,293
Subscriptions	5,345	856
Professional services	263	173
Revenue from contracts with customers	**55,901**	**31,322**

Additional disaggregation of the Group's revenue by segment is included in Note 3.

5. Other income

Government grant income	-	458
Research & development grant tax credit	43	-
Miscellaneous income	47	104
	90	**562**

The Group received government grant income in the year. Government grants are not recognised until there is reasonable assurance that:

(a) the entity will comply with the conditions attaching to them and

(b) the grants will be received.

When the recognition criteria are met, government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. When the recognition criteria are met, a government grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs, is recognised in profit or loss in the period in which it becomes receivable. During the year, the Group received R&D Tax Credit of $43,000.

6. Operating loss before net finance expense

The following items of expenditure are included in operating loss before finance expense:

Selling and Distribution expenses	Note	2022 $'000	2021 $'000
Advertising and marketing		1,077	784
Salaries and wages		13,200	8,033
Defined contributions		100	61
Administrative expenses			
Remuneration to parent auditor:			
- fee relating to audit of the financial statements		106	112
- fee relating to other assurance engagement (interim review)		52	51
- fee relating to audit of subsidiary financial statements paid to parent auditor network		15	-
- taxation services – compliance		25	52
Amortisation of capitalised software development	14.1	1,062	603
Amortisation of computer software	14.2	2,697	456
Depreciation of plant and equipment		214	270
Amortisation of right of use assets	19	539	472
Bad debts written off		24	
Impairment provision recognised on receivables at amortised cost	10	5	120
Short term and low value leases		151	88
Salaries and wages		10,218	3,558
Defined contributions		205	118
Share option expenses		235	111

During the year, a fee of EUR 35,556 was paid to BDO Belgium for advisory services related to acquisition activities.

During the year a fee of EUR 15,000 was paid to parent auditor network for audit of subsidiary financial statements.

In the previous financial year, a fee of USD 6,403 was paid to BDO USA, LLP and a fee of USD12,000 was paid to an affiliate of BDO USA, LLP for consulting and advisory services related to acquisition activities for services provided.

7. Net finance income and expense

Finance income	Notes	2022 $'000	2021 $'000
Interest received on financial assets at amortised cost		-	19
Gain on fair value adjustment to contingent consideration liability	18.2	2,140	143
Total finance income		2,140	162
Finance expense			
Interest expense on loans and borrowings stated at amortised cost		(831)	(221)
Interest expense on leases		(67)	(61)
Foreign exchange loss		(910)	(1,596)
Loss on fair value adjustment to contingent consideration liability	18.2	-	(143)
Imputed interest on contingent consideration liability	18.2	(69)	(37)
Total finance expense		(1,877)	(2,058)
Net finance (expense)/income		263	(1,896)

Interest income and expense

Finance income includes interest income, which is recognised as it accrues in profit or loss, using the effective interest method, and fair value gain on adjustment to contingent consideration liabilities, which is measured at fair value through profit or loss.

Finance expense includes interest expense on liabilities, and imputed interest on deferred consideration liability.

Foreign currency translation gains and losses are recorded in finance income and expense in accordance with Note 29 b.

8. Income tax expense

(a) Income tax recognised in profit or loss	2022 $'000	2021 $'000
Current tax expense	(86)	(185)
Deferred tax credit	561	414
Total tax credit	475	229

The income tax expense comprises current and deferred tax. The income tax expense is recognised in profit and loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts for taxation purposes.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination that affects neither accounting nor taxable profit or loss.

The total charge for the period can be reconciled to the accounting profit as follows:	2022 $'000	2021 $'000
Loss before tax	(6,387)	(6,245)
Income tax expense calculated at 28% (2021: 28%)	(1,788)	(1,749)
Different tax rates applied in overseas jurisdictions	25	15
Tax losses not recognised	1,288	1,505
Income tax credit recognised in profit or loss	**475**	**229**

8. Income tax expense (Continued)

b) Deferred tax liability

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28% (2021: 28%).

b) Deferred tax liability	$'000	$'000
Deferred tax liabilities arising on intangible assets	1,760	2,090
Reversal of temporary differences	(561)	(733)
Effect of change in foreign exchange rates	7	-
At 31 March	**1,206**	**1,357**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax assets and liabilities on a net basis.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax asset has not been recognised by the Group because the directors consider that it is not probable that the related tax benefit will be recognised, due to a recent history of losses.

The value of deferred tax asset not recognised as at 31 March 2022 was $1,262,704 (2021: $872,946). The deferred tax asset not recognised is comprised of the effect of the tax benefit of operating losses. The Group has accumulated tax losses to carry forward for tax purposes of $4,509,656 (2021: $3,117,665).

c) Factors affecting the future tax charge

Estimates and assumptions

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the company recognises tax liabilities based on estimates of whether additional taxes and interest will be due.

These tax liabilities are recognised when, despite the company's belief that its tax return positions are supportable, the company believes it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios. The company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law.

No material uncertain tax positions exist as at 31 March 2022. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

8. Income tax expense (Continued)

d) Imputation credits

Imputation credits available for use in future reporting periods are as follows:

	2022 $'000	2021 $'000
Imputation credits at 1 April	19	53
New Zealand tax payments, net of refunds	(14)	(34)
Imputation credits available to shareholders of the company at 31 March	**5**	**19**

9. Earnings per share

Earnings per share has been calculated based on shares issued at the respective measurement dates. Share options are considered anti-dilutive as the Group is loss making and are thus not taken into account in the calculation of diluted earnings per share.

Numerator	2022 $'000	2021 $'000
Loss for the year after tax ("N")	(5,912)	(6,016)

Denominator	$'000	$'000
Weighted average number of ordinary shares used in basic EPS ("D1")	66,961	53,465

	Cents	Cents
Basic and diluted earnings per share (N/D1 x 100)	(8.83)	(11.25)

10. Trade receivables

	Notes	2022 $'000	2021 $'000
Gross trade receivables		12,498	6,027
Impairment allowance		(280)	(275)
Trade receivables		**12,218**	**5,752**
Opening balance of impairment provision		275	155
Additional expense identified	6	5	120
		280	**275**

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the impact of the COVID-19 pandemic, gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates.

11. Other assets and prepayments

	Notes	2022 $'000	2021 $'000
Contract asset	11.1	571	1,652
Receivables in relation to acquisitions		-	612
Prepayments		1,160	604
Sundry receivables		96	206
		1,827	**3,074**

11.1. Contract asset

	2022 $'000	2021 $'000
Opening balance	1,652	1,074
Invoiced in the year	(1,652)	(1,074)
Revenue accrued for services performed not yet invoiced	571	1,652
	571	**1,652**

12. Business combinations completed in current period

IDEST Communication SA ("IDEST")

On 1 January 2022, Straker Translations Limited obtained control of the assets and business of IDEST Communication SA ("IDEST"), based in Brussels, Belgium. Founded in 1990, IDEST focuses on serving international institutions with state-of-the-art, tailor-made translation services.

IDEST specializes in the institutional sector and translates into all the official languages of the European Union and United Nations. Its core business provides a comprehensive range of linguistic services to national and international institutions both and the public. The acquisition represents Straker's strategy to extend and consolidate its presence in the multi-billion-dollar European market.

The goodwill for the acquisition reflects intangible assets which do not qualify for separate recognition and include expected synergies. An element of the consideration is contingent on achieving revenue, gross margin targets and the re-signing of a major customer agreement, as detailed in Note 18.

A fair value assessment of IDEST's assets and liabilities has been undertaken and the identifiable assets and liabilities are shown at fair value. The valuation of the separately identifiable intangible assets, including customer relationships have been determined by an independent valuer.

The table below summaries the major classes of consideration transferred, and the recognised amounts of asset acquired, and liabilities assumed at the acquisition date. All amounts are in NZD'000.

IDEST	**Note**	**Fair value $'000**
Debtors and other receivables		1,264
Property, plant and equipment		12
Computer software		12
Customer relationship asset		1,438
Creditors and accruals		(616)
Deferred tax liability		(403)
Total net assets		**1,707**
Cash paid (NZD), net of cash acquired		1,924
Deferred liability	18.1	1,401
Shares in Straker Translations Limited	21	426
Fair value of contingent consideration liability on acquisition	18.2	2,381
Total consideration		**6,132**
Goodwill	14.4	**4,425**

12. Business combinations completed in current period

The revenue and loss before tax included in the Group's statement of comprehensive since acquisition for IDEST is shown below:

	$'000
Revenue since date of acquisition	2,203
Profit before tax since date of acquisition	**595**

If the acquisition date for these business combinations had been 1 April 2021, the pro forma revenue and profit for each would have been:

Pro forma revenue for the year	7,562
Profit before tax for the year	2,871

13. Business combinations completed in prior period

Straker Lingotek LLC

During the prior year, Straker Translations Limited, the acquirer, obtained control of the assets and business of Lingotek, Inc. and transferred these into newly formed subsidiary Straker Lingotek LLC. Straker Lingotek LLC ("Lingotek") is based in Lehi, Utah and it is a company incorporated in Delaware USA on 11th December 2020.

Lingotek is a provider of language services, subscriptions and professional services. The acquisition was made as part of the growth strategy of the Group. The goodwill for the acquisition reflects intangibles assets which do not qualify for separate recognition and include expected synergies.

A fair value assessment of Lingotek's assets and liabilities has been undertaken and the identifiable assets and liabilities are shown at fair value, including the fair value of the contract revenue liability, which has been determined by an independent valuer. The valuation of the separately identifiable intangible assets, including customer relationships and acquired software have been determined by an independent valuer.

The table below summaries the major classes of consideration transferred, and the recognised amounts of asset acquired, and liabilities assumed at the acquisition date. All amounts are in NZD'000.

Lingotek	**Note**	**Fair value $'000**
Debtors and other receivables		1,183
Property, plant and equipment		38
Computer software		10,349
Customer relationship asset		2,836
Right of use assets		127
Creditors and accruals		(1,040)
Lease liability		(127)
Contract revenue liability		(5,157)
Deferred tax liability		(794)
Total net assets		**7,415**
Cash paid (NZD)		7,202
Receivable in escrow		(562)
Shares in Straker Translations Limited	21	1,666
Fair value of contingent consideration liability on acquisition		2,246
Total consideration		**10,552**
Goodwill	**14.4**	**3,137**

13. Business combinations completed in prior period (Continued)

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The Group measures goodwill at the acquisition date as:

- The fair value of consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- The net recognised amount (fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of contingent considerations are recognised in profit or loss.

14.1 Capitalised software development

Cost	2022 $'000	2021 $'000
Opening Balance	4,941	3,444
Additions in the year	2,468	1,497
Effect of change in foreign exchange rates	(2)	-
Closing Balance	**7,407**	**4,941**
Amortisation		
Opening Balance	(1,743)	(1,140)
Charge recognised in profit or loss	(1,062)	(603)
Effect of change in foreign exchange rates	4	-
Closing Balance	**(2,801)**	**(1,743)**
Net book value	**4,606**	**3,198**

Research costs are expensed as incurred. Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets where the following criteria are met:

it is technically feasible to complete the software so that it will be available for use;

- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are expensed when incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period. Development costs that have a finite useful life that have been capitalised are amortised from the commencement of the time at which they are available for use on a straight-line basis over the period of its expected benefit, not exceeding five years.

Capitalised development costs are carried at cost less accumulated amortisation and impairment losses. Additions in the year include salaries and wages of $1.819m (2021: $0.906m).

Capitalised development costs are amortised over the periods the Group expects to benefit from utilising the software to manage translation service projects (currently five years. 2021: 5 years). The amortisation expense is included within the administration expenses in profit or loss.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

14.2. Computer software

Cost	Notes	2022 $'000	2021 $'000
Opening Balance		10,587	320
Acquired as part of a business combination	12	12	10,349
Additions during the year		51	-
Impairment during the year		(114)	-
Effect of foreign exchange rate changes		12	(82)
Closing Balance		**10,548**	**10,587**
Amortisation			
Opening Balance		(648)	(192)
Charge recognised in profit or loss		(2,697)	(456)
Effect of foreign exchange rate changes		(34)	-
Closing Balance		**(3,379)**	**(648)**
Net book value		**7,169**	**9,939**

Computer software acquired separately or in a business combination is initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition.

Following initial recognition, Computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful economic lives of computer software is between 2 and 4 years dependent on the underlying nature and historical information and is amortised over 2-4 years on a straight line basis.

14.3 Customer relationship assets

Cost	Notes	2022 $'000	2021 $'000
Opening Balance		8,599	5,673
Acquired as part of current year business combination	12	1,438	2,836
Recognised as part of prior year business combination	13	-	188
Impact of foreign exchange rates		(92)	(98)
Closing Balance		**9,945**	**8,599**
Amortisation			
Opening Balance		(3,754)	(2,304)
Charge recognised in profit or loss		(2,030)	(1,431)
Impact of foreign exchange rates		219	(19)
Closing Balance		**(5,565)**	**(3,754)**
Net book value		**4,380**	**4,845**

14.3 Customer relationship assets (Continued)

Customer relationships acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition.

Following initial recognition, customer relationship intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful economic lives of customer relationships are between 3 and 7 years dependent on the underlying contracts, historical information and forecast revenues.

Fair value of customer relationship assets as part of a business combination completed in the current year

During the year, the Group has completed the acquisition of IDEST, as outlined in Note 12. This included the valuation of separately identifiable intangible assets, including customer relationships. This has been determined by an independent valuer.

The fair value of the intangibles at the date of acquisition is determined by estimated discounted cash flow valuation using the Multi-Period Excess Earnings Method which is a financial valuation model used in valuing customer-related intangible assets that estimates revenues and cash flows derived from the intangible asset and then deducts portions of the cash flow that can be attributed to supporting assets, such as a brand name or fixed assets, that contributed to the generation of the cash flows. The resulting cash flow, which is attributable solely to the intangible asset, is then discounted at a rate of return commensurate with the risk of the asset to calculate a present value.

Key assumptions and inputs are as follows:

Revenue was based on pre-acquisition historical financial information adjusted for known losses and customers at the end of contracts.

	IDEST
Revenue attributable to customer relationships	94%
Annual customer attrition rates	1.00%
Earnings before interest, tax, depreciation and amortisation rate (as a percentage of revenue)	11%
Discount rate %	15.5%
Customer relationship useful economic life	4 years

Intangible asset impairment

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

14.4. Goodwill (Continued)

Cost	Notes	2022 $'000	2021 $'000
Opening Balance		11,616	8,389
Acquired as part of current year business combination	12	4,425	3,137
Recognised as part of prior year business combination	18.2	-	225
Finalisation of prior year business combination accounting	13	-	(135)
Closing Balance		**16,041**	**11,616**
Accumulated impairment		(799)	(799)
Closing Balance		**(799)**	**(799)**
Net book value		**15,242**	**10,817**

Goodwill represents the excess of the cost of a business combination over the total fair value of the identifiable assets (including intangibles), liabilities and contingent liabilities acquired at acquisition date.

Cost comprises the fair value of assets given, liabilities assumed, and equity instruments issued, plus the amount of any non-controlling interests in the acquiree. Contingent consideration is included in cost at its fair value at acquisition date and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Direct costs of acquisition are recognised immediately as an expense.

Any impairment in the goodwill carrying value is charged to the profit or loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to profit or loss on acquisition date.

Goodwill impairment

	Note	Eurotext $'000	Elanex $'000	MSS $'000	Eule $'000	COM $'000	On-Global $'000	NZ $'000	Lingotek $'000	IDEST $'000	Total $'000
31 March 2021		449	970	1,797	930	1,020	1,520	994	3,137	-	10,817
Additions	12	-	-	-	-	-	-	-	-	4,425	4,425
31 March 2022		449	970	1,797	930	1,020	1,520	994	3,137	4,425	15,242
Operating segment	3	EMEA	NAM	EMEA	EMEA	NAM	EMEA	APAC	NAM	EMEA	

The carrying amount of goodwill has been allocated to the cash generating units (CGUs) as follows:

The Group has allocated goodwill to the above subsidiaries, as the group of assets that each generate cash inflows that are largely independent of the cash inflows from other assets and subsidiaries in the Group. The CGUs have been defined in Note 22. NZTC is amalgamated to Straker Translations Limited, and form part of NZ CGU.

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment, by comparing the carrying amount of each CGU to its recoverable amount.

The recoverable amount of all CGUs, has been determined based on value-in-use calculations. The cash flow projections used in the value in use calculations are based on management's forecasts for the year ending 31 March 2023, then applicable growth rates applied to revenue and costs from year 2 to 5 for most of the cash generating units. Cash flows beyond the five-year period are extrapolated using the terminal growth rates stated below.

14.4 Goodwill impairment (continued)

The key assumptions and inputs to the value in use calculations are as follows.

	Annual revenue growth rates	Gross margin rate	Discount rate %	Terminal growth rate
Eurotext	6%	35%	10.29%	1.70%
Elanex	2%	58%	11.17%	1.70%
MSS	6%	47%	11.33%	1.70%
Eule	5%	53%	9.36%	1.70%
Com	2%	44%	11.33%	1.70%
On-Global	6%	58%	11.33%	1.70%
NZ	5%	55%	11.90%	1.70%
Lingotek	6%	67%	11.17%	1.70%
IDEST	5%	47%	11.50%	1.70%

Based on the value in use calculations, there is no impairment of goodwill in the current year.

Lingotek CGU
Management has determined that there are other reasonably possible changes in the key assumptions on which management has based its determination of Lingotek CGU's recoverable amounts that would cause the CGU's carrying amount to exceeds it's recoverable value. If any one of the following changes were made to the above assumptions, the carrying amount and the recoverable amount would be equal.

	Annual revenue growth rates	Gross margin rate	Discount rate %	Terminal growth rate
Lingotek	Decrease in rate of 0.83%	Decrease in rate of 2.14%	Increase in rate of 3.23%	Rate to below 0%

COM
Management has determined that there are other reasonably possible changes in the key assumptions on which management has based its determination of the COM CGU's recoverable amounts that would cause the CGU's carrying amount to exceeds it's recoverable value. If any one of the following changes were made to the above assumptions, the carrying amount and the recoverable amount would be equal.

	Annual revenue growth rates	Gross margin rate	Discount rate %	Terminal growth rate
COM	Rate to below 0%	Decrease in rate of 3.20%	Increase in rate of 4.6%	Rate to below 0%

IDEST
Management has determined that there are other reasonably possible changes in the key assumptions on which management has based its determination of the IDEST CGU's recoverable amounts that would cause the CGU's carrying amount to exceeds it's recoverable value. If any one of the following changes were made to the above assumptions, the carrying amount and the recoverable amount would be equal.

	Annual revenue growth rates	Gross margin rate	Discount rate %	Terminal growth rate
IDEST	Rate to below 0%	Decrease in rate of 8.7%	Increase in rate of 8.1%	Rate to below 0%

15. Trade payables

	2022 $'000	2021 $'000
Trade payables	4,170	2,971

No interest is incurred on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

16. Sundry creditors and accruals

	2022 $'000	2021 $'000
Accruals	2,294	1,377
Translator costs accrual	2,820	823
Goods and services tax	(113)	292
Sundry payables	233	163
	5,234	2,655

17. Contract liability

	Note	2022 $'000	2021 $'000
Opening balance		5,234	600
Acquired as part of business combination	12	-	5,157
Recognised as revenue in the year		(4,989)	(678)
Payments received in advance		3,534	155
		3,779	**5,234**

Contract liability represents an obligation to provide products or services to a customer when payment has been made in advance and delivery or performance has not yet occurred.

18. Consideration liabilities

18.1. Deferred consideration liabilities

	2022 $'000	2021 $'000
Due within one year	**1,401**	**-**
Movement during the year		
Opening balance	-	561
On acquisition in current year (a)	1,401	-
Paid in year	-	(561)
Closing balance	**1,401**	**-**

18.2. Contingent consideration liabilities

	2022 $'000	2021 $'000
Due within one year	1,348	1,435
Due after more than one year	1,230	1,899
Total	**2,578**	**3,334**
Movement during the year		
Opening balance	3,334	2,291
On acquisition in current year (a)	2,381	2,246
On acquisition – updated prior year		225
Paid in year	(993)	(1,418)
Gain on fair value adjustment to contingent consideration liability (finance income)	(2,140)	(143)
Loss on fair value adjustment to contingent consideration liability (finance expense)	-	143
Unwinding of imputed interest on contingent consideration (Note 7)	85	37
Foreign exchange revaluation	(89)	(47)
Closing balance	**2,578**	**3,334**

(a) Details the business combinations completed in the current period for IDEST.

During the year, the Group re-measured Lingotek's earn-out liability. Management has de-recognised $1.974m contingent consideration amount at 31 March 2022, as a result of revised revenue forecasts made at 31 March 2022. The revisions to the revenue forecasts have been adjusted for management's best estimation of the revenue and customer demand. The corresponding impact has been recorded in current period profit or loss.

IDEST

In relation to the acquisition of IDEST, a deferred consideration liability of EUR 0.821m (NZD 1.401m) is payable.

Further, a contingent consideration liability of EUR 1.50m (NZD 2.558m) is payable upon achieving revenue and gross margin targets. Of which, EUR 0.75m (NZD 1.279m) is payable on 30 April 2023 and EUR 0.750m (NZD 1.279m) payable on 29 April 2024 for achieving respective revenue and gross margin targets set for each of the years.

A further contingent consideration liability of EUR 0.25m (NZD 0.426m) is payable upon successful renewal of the contract with the European Commission on or before 30 April 2024 on terms and conditions similar to or better than the current terms and conditions.

Lingotek

In relation to the acquisition, contingent consideration payments amounting to USD 0.245m (NZD 0.353m) were made during the current period after the successful achievement of revenue targets.

A contingent consideration liability of USD 1.372m (NZD 1.974m) has been de-recognised in the current period due to re-measurement of forecast earnings. The corresponding impact has been recorded in current period profit or loss.

NZTC

In relation to the acquisition, contingent consideration payments amounting to NZD 0.225m were made during the current period after the successful achievement of revenue targets.

A further contingent consideration earnout liability of NZD 0.3m is payable upon the successful achievement of revenue and margin targets on 31 May 2022. The maximum earn out liability of NZD 0.3m has been recognised. This is unchanged from 31 March 2021.

On-Global

In relation to the acquisition, contingent consideration payments amounting to EUR 0.25m (NZD 0.415m) were made during the current period after the successful achievement of revenue targets.

19. Lease accounting

Right of use assets	Equipment $'000	Property $'000	Motor vehicles $'000	Total $'000
At 1 April 2021	**8**	**645**	**-**	**653**
Additions	-	765	-	765
Impact of lease modifications	-	755	-	755
Amortisation	(3)	(536)	-	(539)
At 31 March 2022	**5**	**1,629**	**-**	**1,634**
At 1 April 2020	**11**	**1,022**	**16**	1,049
Additions	-	401	-	401
From business combination	-	127	-	127
Impact of lease modifications	-	(444)	(8)	(452)
Amortisation	(3)	(461)	(8)	(472)
At 31 March 2021	**8**	**645**	**-**	**653**

Lease liabilities	Equipment $'000	Property $'000	Motor vehicles $'000	Total $'000
At 1 April 2021	**7**	**956**	**-**	**963**
Additions	-	732	-	732
Interest expense	1	75	-	76
Lease payments	(5)	(518)	-	(523)
Effect of change in foreign exchange rates	-	(37)	-	(37)
Lease modifications	-	673	-	673
At 31 March 2022	**3**	**1,881**	**-**	**1,884**
Current				463
Non-Current				1,421
				1,884
At 1 April 2020	**11**	**1,109**	**20**	**1,140**
Additions	-	722	-	722
Interest expense	1	59	1	61
Lease payments	(5)	(525)	(21)	(551)
Effect of change in foreign exchange rates	-	23	-	23
Lease modifications	-	(432)	-	(432)
At 31 March 2021	**7**	**956**	**-**	**963**

19. Lease accounting (Continued)

Lease liability payments are made monthly. The payments to be made within 12 months amount to NZD $0.451m (2021: NZD $0.626m). The remaining NZD $1.433m (2021: NZD $0.337m) will be paid within 4 years.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Under the exemption, lease payments are recognised single lease expenses typically on a straight-line basis over the lease term.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they are dependent on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability may also include:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

19. Lease accounting (Continued)

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties in the jurisdictions in which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates.

The Group also leases certain items of plant and equipment. These leases comprise only fixed payments over the lease terms.

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 2% on the reporting date to lease payments that are variable.

Year ended 31 March 2022	Lease Contracts Number	Fixed payments %	Variable payments %	Sensitivity $'000
Equipment leases with fixed payments	1	0.0%	-	-
Property leases with payments linked to inflation	4	-	52%	±5
Property leases with periodic uplifts to market rentals	1	-	41%	±1
Property leases with fixed payments	3	4.0%	-	-
	9	**4.0%**	**93%**	**±6**

Year ended 31 March 2021	Lease Contracts Number	Fixed payments %	Variable payments %	Sensitivity $'000
Equipment leases with fixed payments	1	0.0%	-	-
Property leases with payments linked to inflation	4	-	52%	±5
Property leases with periodic uplifts to market rentals	1	-	41%	±1
Property leases with fixed payments	4	4.0%	-	-
	10	**4.0%**	**93%**	**±6**

20. Loans and borrowings

Current	2022 $'000	2021 $'000
Collateralised borrowings	-	6,500
Unsecured related party borrowings (Note 26)	-	1,500
Callaghan Innovation R&D loan	-	400
	-	**8,400**

The Group repaid the loans during the year using the part of equity capital raised.

21. Share capital

Ordinary capital	2022 $'000	2021 $'000
Balance at beginning of the year	42,529	40,786
Proceeds from issue of ordinary shares during the year	26,979	93
Ordinary shares issued during the year – consideration as part of business combination	426	1,666
Costs of share issue	(1,138)	(16)
Balance at end of the year	**68,796**	**42,529**

Ordinary shares	2022 No. of Shares	2021 No. of Shares
Share capital at the beginning of the year	54,334,855	53,101,360
Ordinary shares issued during the year	13,198,964	244,473
Ordinary shares issued during the year – consideration as part of business combination	263,196	989,022
Balance at end of the year	**67,797,015**	**54,334,855**

The company has issued 67,797,015 ordinary shares (2021: 54,334,855) at year end. These shares have no par value. Ordinary shares have equal voting rights and share equally in dividends and surplus on winding up.

22. Group subsidiaries

Subsidiary	Note	Country of Incorporation	Ownership Interest 2022	Ownership Interest 2021
Straker Europe Limited		Ireland	100%	100%
Straker Translations Inc.		United States of America	100%	100%
Straker Translations Australia Pty Limited		Australia	100%	100%
Straker Spain SL		Spain	100%	100%
Straker Translations UK Limited		United Kingdom	100%	100%
Eurotext Translations Limited ("Eurotext")		Ireland	100%	100%
Elanex Inc. ("Elanex")		United States of America	100%	100%
Straker Translations Hong Kong Limited		Hong Kong	100%	100%
Management System Solutions SL ("MSS")		Spain	100%	100%
Straker Germany GmbH (previously Eule Lokalisierung GmbH) ("Eule")		Germany	100%	100%
Straker Media SL (previously ComTranslations Online SL) ("Com")		Spain	100%	100%
On-Global Language Marketing Services SL ("On-Global")		Spain	100%	100%
New Zealand Translations Centre Limited ("NZTC")		New Zealand	100%	100%
Straker Lingotek LLC		United States of America	100%	100%
IDEST Communication SA	12	Belgium	100%	0%

Management System Solutions SL, Straker Media SL and On-Global Language Marketing Services SL are 100% subsidiaries of Straker Spain SL.

Straker Spain SL, Straker UK Limited, IDEST Communication SA and Eurotext Translations Limited are 100% subsidiaries of Straker Europe Limited.

Elanex Inc. and Straker Lingotek LLC are 100% subsidiaries of STS Translations Inc. (USA).

All subsidiary companies are providers of language services and have 31 March balance dates other than On-Global which has a 31 December financial year end.

23. Capital management

The Group's capital includes share capital and retained earnings. The Group's policy is to maintain a strong share capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

24. Events after the reporting period

There were no reported significant events after reporting date.

25. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Interest rate risk;
- Liquidity risk; and
- Foreign exchange risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This Note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Trade receivables
- Trade payables, accruals and translator costs accrual
- Contract liability
- Contingent consideration liability

25. Financial risk management (continued)

Financial risk management objectives, policies and processes

The Group manages their exposure to key financial risks, including credit risk, interest risk, liquidity risk and foreign exchange risk in accordance with the Group's financial risk management policies. The objective of these policies is to support the delivery of the Group's financial targets whilst protecting future financial security.

The Board reviews and agrees policies for managing each of these risks as summarised below.

i) Financial instruments by category

31 March 2022	Assets at Amortised Cost $'000	Liabilities at Amortised Cost $'000	Fair value through Profit or Loss $'000	Total Carrying Amount $'000
Financial assets				
Cash and cash equivalents	15,131	-	-	15,131
Trade receivables	12,218	-	-	12,218
Total	**27,349**	**-**	**-**	**27,349**
Financial liabilities				
Trade payables	-	(4,170)	-	(4,170)
Accruals	-	(2,294)	-	(2,294)
Translator costs accrual	-	(2,820)	-	(2,820)
Deferred consideration		(1,401)	-	(1,401)
Contingent consideration	-	-	(2,578)	(2,578)
Contract liabilities	-	(3,779)	-	(3,779)
Lease liabilities	-	(1,884)	-	(1,884)
Total	**-**	**(16,348)**	**(2,578)**	**(18,926)**

Maturity analysis - Contractual liability

	Current	Due 1-6m	Due 7-12m	Due 13-24m	Due 25-36m	Total
Trade payables	4,170	-	-	-	-	4,170
Accruals	2,294	-	-	-	-	2,294
Translator costs accrual	2,820	-	-	-	-	2,820
Deferred consideratoin	-	1,401	-	-	-	1,401
Contingent consideration	-	-	1,279	1,706	-	2,985
Contract liabilities	80	2,130	1,369	200	-	3,779
Lease liabilities	-	222	230	419	1,013	1,884
	9,364	**3,753**	**2,878**	**2,325**	**1,013**	**19,333**

25. Financial risk management (continued)

31 March 2021	Assets at Amortised Cost $'000	Liabilities at Amortised Cost $'000	Fair value through Profit or Loss $'000	Total Carrying Amount $'000
Financial assets				
Cash and cash equivalents	7,175	-	-	7,175
Trade receivables	5,752	-	-	5,752
Total	**12,927**	**-**	**-**	**12,927**
Financial liabilities				
Trade payables	-	(2,971)	-	(2,971)
Accruals	-	(1,377)	-	(1,377)
Translator costs accrual	-	(2,820)	-	(2,820)
Contingent consideration	-	-	(3,334)	(3,334)
Contract liabilities	-	(5,234)	-	(5,234)
Loans and borrowings	-	(8,400)	-	(8,400)
Lease liabilities	-	(963)	-	(963)
Total	**-**	**(21,765)**	**(3,334)**	**(25,099)**

Maturity analysis - Contractual liability

	Current	Due 1-6m	Due 7-12m	Due 13-24m	Due 25-36m	Total
Trade payables	2,971	-	-	-	-	2,971
Accruals	1,377	-	-	-	-	1,377
Translator costs accrual	823	-	-	-	-	823
Contingent consideration	-	812	641	1,881	-	3,334
Contract liabilities	114	3,878	1,140	58	44	5,234
Loans and borrowings	-	429	8,643	-	-	9,072
Lease liabilities	-	330	230	350	70	980
	5,285	**5,449**	**10,654**	**2,289**	**114**	**23,791**

Financial instruments not measured at fair value

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data).

Financial instruments not measured at fair value include cash and cash equivalents, trade receivables, trade payables, accruals and deferred consideration. Due to their short-term nature, the carrying value of each approximates their fair value.

There are no Level 1 or Level 2 financial instruments.

Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is provided below.

Level 3

Level 3		**2022**	**2021**
Financial liabilities	**Notes**	**$'000**	**$'000**
Contingent consideration liabilities	18.2	2,578	3,334

There were no transfers between levels during the year.

Quantitative information on significant unobservable inputs – Level 3

The fair value of the Level 3 contingent consideration liability has been determined by discounted cash flow valuation technique. The fair value has been determined with reference to unobservable inputs, including forecast revenue as explained in Note 18.2. During the year, the Group used cost of equity percentage in determining the IDEST contingent consideration. In the prior years, the Group used cost of debt percentage.

There was no any other changes to the valuation technique used during the year.

ii) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Group to credit risk principally consist of cash and cash equivalents and trade receivables.

In the normal course of business, the Group incurs credit risk from debtors and transactions with banking institutions. The Group manages its exposure to credit risk by:

- holding bank balances with banking institutions with good credit ratings; and
- maintaining credit control procedures over debtors. The Group performs credit evaluations on all customers requiring credit.

The maximum exposure at reporting date is equal to the total carrying amount of cash and cash equivalents, and trade receivables as disclosed in the Statement of Financial Position. At each reporting date, trade receivables are reviewed for future expected credit losses in accordance with Note 29 e.

The Group does not require any collateral or security to support these financial instruments and other debts it holds due to the low risk associated with the counterparties to these instruments.

Trade receivables net of the Expected Credit Loss provision as stated in Note 10, include balances more than 30 days past due of $4.935m. The Group has received $2.120m in the post reporting date period and has determined that no further impairment of the remaining balance is required.

25. Financial risk management (continued)

Bank	Rating	2022 $'000	2021 $'000
AIB	BA1	144	344
ANZ New Zealand	A2	3,739	1,642
Bank of America	AA2	202	166
Barclays	BAA2	175	969
BBVA US	BAA1	395	278
Citibank N.A.	BAA1	997	316
Commerzbank	BAA2	64	147
ING	AA	1,256	-
Caixa	BAA3	387	1,632
NAB	A2	6,112	391
Silicon Valley Bank	A2	1,083	436
Ulster	BAA2	150	162

A significant amount of cash and cash equivalents is held with the following institutions:

iii) Interest rate risk

The Group does not have borrowings, as a result it is not exposed to cash flow interest rate risk.

iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations associated with financial liabilities as they fall due. The Group closely monitors its cash inflows and cash requirements to manage the net position in order to maintain an appropriate liquidity position. Refer to financial instrument maturity analysis in Note 25 (i).

Cash and cash equivalents consist of cash at bank immediately available on demand.

v) Foreign currency risk

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal trading activities. The foreign currencies in which the Group primarily transacts are Euros, US Dollars and Australian Dollars.

The following significant exchange rates applied during the year:

	Monthly average rate		Reporting date spot rate	
	2022	2021	2022	2021
AUD	0.9436	0.9334	0.9288	0.9182
EUR	0.5988	0.5762	0.5996	0.5959
USD	0.6942	0.6753	0.6961	0.6997

25. Financial risk management (continued)

The table below summarises the material foreign exchange exposure on the net monetary assets and liabilities of entity against the significant foreign currencies in which the Group primarily transacts, expressed in NZD:

	2022	2021
EUR	**$'000**	**$'000**
Cash and cash equivalents	1,161	2,349
Trade receivables	2,518	2,966
Trade payables	(1,298)	(1,070)
Total	**2,381**	**4,245**
USD		
Cash and cash equivalents	5,165	2,551
Trade receivables	1,727	2,929
Trade payables	(1,553)	(660)
Total	**5,339**	**4,820**
AUD		
Cash and cash equivalents	5,990	287

Sensitivity analysis

Based on the net exposure above, the table below outlines the sensitivity of profit and equity to reasonably likely movements of that currency to the NZD.

	2022	2021
	$'000	**$'000**
12.5% weakening in NZD/EUR (2021: 12.5%)	340	606
5% strengthening in NZD/EUR (2021: 5%)	(113)	(202)
20% weakening in NZD/USD (2021: 20%)	1,335	965
7.5% strengthening in NZD/USD (2021: 7.5%)	(372)	(269)
20% weakening in NZD/AUD (2021: 20%)	856	41
7.5% strengthening in NZD/AUD (2021: 7.5%)	(285)	(14)

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group. In order to monitor the continuing effectiveness of this policy, the Board receives a monthly forecast, analysed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal trading activities. The foreign currencies in which the Group primarily transacts are Euros, Australian Dollars and US Dollars.

26. Related party transactions

The Group's related parties include its subsidiary companies as disclosed in Note 22. All related party transactions within the Group are eliminated on consolidation.

a) Transactions with other related parties during the normal course of business

No other related party transactions were noted during the year.

b) Transactions with directors and key management personnel

The Group repaid an unsecured simple term debt facility of NZD $1.5m (2021: NZD $1.5m) with an interest rate of 11.50%pa (2021:11.50%pa) provided by an entity associated with Stephen Donovan, a Straker non-executive director. A loan commitment fee of NZD $0.038m was paid to establish the facility in 2021.

During the year interest on unsecured borrowings was NZD $0.135m (2021: NZD $0.037m).

2022	Director Fees (including disbursements)	Consulting Fees	Employee Benefits – Defined Contribution Plan	Salary & Bonus	Interest & Commiment Fee on Unsecured Borrowings	Total $'000
Grant Straker	-	-	13	436	-	449
Amanda Cribb	63	-	-	-	-	63
Stephen Donovan	64	65	-	-	135	263
Philip Norman	102	-	-	-	-	102
Tim Williams	63	-	-	-	-	63
Paul Wilson	64	-	-	-	-	64
	355	**65**	**13**	**436**	**135**	**1,004**

2021	Director Fees (including disbursements)	Consulting Fees	Employee Benefits – Defined Contribution Plan	Salary & Bonus	Interest & Commiment Fee on Unsecured Borrowings	Total $'000
Grant Straker	-	-	12	320	-	332
Amanda Cribb	45	-	-	-	-	45
Stephen Donovan	64	87	-	-	75	226
Philip Norman	102	-	-	-		102
Tim Williams	62	-	-	-		62
Paul Wilson	63	-	-	-	-	63
	336	**87**	**12**	**320**	**75**	**830**

26. Related party transactions (continued)

c) Key management personnel including the Chief Executive Officer

	2022 $'000	2021 $'000
Short-term employee benefits	1,801	1,517
Termination benefits	-	103
Total	**1,801**	**1,620**

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Key management personnel includes the Executive Team.

Provision of services of $993.00 paid during the year, party related to David Ingram.

27. Share options

Options to subscribe for shares have been issued to certain directors and employees of the Group. The purpose of this plan is to incentivise, attract, retain and reward certain staff for their service to the Group and to motivate them to contribute to the growth and profitability of the Group.

The options vest at each financial year end. All options are fully exercisable by 18 March 2025.

Reconciliation of outstanding options	Number of Options	Average Exercise Price (NZD$)
Balance at 31 March 2020	**2,135,591**	**$1.39**
Issued during the year	1,005,256	$1.21
Exercised during the year	(244,479)	$0.79
Lapsed during the year	(331,321)	$1.36
Balance at 31 March 2021	**2,565,047**	**$1.41**
Issued during the year	1,419,600	$1.96
Exercised during the year	(97,351)	$1.14
Lapsed during the year	(144,526)	$1.65
Balance at 31 March 2022	**3,742,770**	**$1.59**

The fair value of options granted was measured based upon the Black Scholes pricing model. Expected volatility is estimated by considering historic average share price and volatility.

Fair Value on grant date	2022 $'000	2021 $'000
Share Price at grant date	$2.02	$1.39
Exercise Price	$1.96	$1.21
Expected Volatility	30.0%	30.0%
Expected Life	4 years	4 years
Risk Free rate	0.50%	0.46%
Black out factor	25.0%	25.0%

27. Share options (Continued)

Directors

The following directors hold the following number of options as at balance date expressed at a blended average exercise price:

Directors	2022 Exercise Price (NZD$)	2022 Number of Options	2021 Exercise Price (NZD$)	2021 Number of Options
Stephen Donovan	$1.53	25,000	$1.38	25,000
Amanda Cribb	-	-	-	-
Philip Norman	$1.53	183,980	$1.38	197,970
Grant Straker	$1.53	604,300	$1.38	413,000
Tim Williams	$1.53	25,000	$1.38	25,000
Paul Wilson	$1.53	50,000	$1.38	50,000

Philip Norman exercised 13,990 share options at NZD$0.596 per share in both the current year and prior year.

Grant Straker directly and indirectly exercised 133,920 share options on a cashless basis for which he received 79,456 ordinary shares in the prior year.

Key management personnel including the Chief Executive Officer

The key management personnel hold the following number of options as at reporting date:

	2022 Exercise Price (NZD$)	2022 Number of Options	2021 Exercise Price (NZD$)	2021 Number of Options
Key management personnel	$1.61	2,243	$1.43	1,383

28. Reconciliation of net profit for the year with net cash flows from operating activities

	2022 $'000	2021 $'000
Net loss after tax for the year	**(5,912)**	**(6,016)**
Adjusted for:		
Non-cash items		
Amortisation of capitalised software development	1,062	603
Amortisation of computer software	2,697	456
Amortisation of acquired intangibles	2,030	1,431
Amortisation of right of use assets	539	472
Depreciation of plant and equipment	210	270
Impairment loss on trade receivables	47	120
Impairment of plant and equipment	3	-
Imputed interest on deferred consideration liability	(169)	37
Fair value of contingent consideration liability on acquisition	(1,895)	-
Share options	370	124
Taxation	(549)	(372)
Unrealised foreign currency (gain)/loss	377	1,609
Non-operating expenses		
IFRS 16 Rent Adjustment	-	(551)
Interest paid for financing activity	831	-
IFRS-16 Interest amortisation	58	-
Impact of changes in working capital items		
Movement in debtors, prepayments and other debtors	(4,081)	(325)
Movement in creditors, accruals and other payables	2,159	1,679
Movement in tax provisions	(142)	143
Net cash flow from operating activities	**(2,365)**	**(320)**

Non-cash investing and financing activities

Significant non-cash transactions included in financing activities include recognition of contingent consideration, gain/(loss) on fair value adjustments and unwinding of imputed interest on the contingent consideration liabilities, as detailed in Note 18.2.

There are no significant non-cash transactions included in investing activities.

29. Summary of significant accounting policies

a) Basis of Consolidation

The financial statements incorporate the financial statements of the Parent and entities controlled by the Company (its subsidiaries). Control exists when the Parent is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The results of subsidiaries acquired or disposed of during the period are included in the profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

b) Foreign currency translation

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss. Exchange differences realised on settlement of monetary assets and liabilities are also recognised in profit or loss.

On consolidation, the results of overseas operations are translated into New Zealand dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the date of the statement of financial position. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised to profit or loss in Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

c) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recovered from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST (the net amount of the GST recoverable from or payable to the taxation authority is included as part of receivables or payables).

Cash flows are included in the statement of cash flows on a net basis. The GST component of cash flows arising from investing and financing which is recovered from or paid to, the taxation authority is classified as operating cash flow.

d) Financial instruments

Non-derivative financial assets

The Group classifies its financial assets as financial assets at amortised cost.

Amortised cost

These assets arise principally from the provision of services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Non-derivative financial liabilities

Non-derivative financial liabilities comprise trade payables, accruals, translator costs accrual, contract liability, lease liabilities, deferred consideration liabilities and contingent consideration liabilities.

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the following:

- Other financial liabilities

Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Group's other financial liabilities comprise: trade payables, accruals, translator costs accrual, contract liability and deferred consideration.

- Financial liabilities classified as fair value through profit or loss

After initial measurement, the Group measures its financial instruments which are classified as at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL in profit or loss. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in profit or loss.

e) Impairment of assets

Financial assets – trade receivables

Impairment provisions for current trade receivables and contract assets are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in profit or loss.

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

A cash-generating unit is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets.

Goodwill is tested for impairment annually.

f) Employee benefits

Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave wholly settled within twelve months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled on an undiscounted basis. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Defined contribution schemes

Contributions to defined contribution schemes are charged to the profit or loss in the year to which they relate.

Equity settled share option plan

The Employee Share Option Plan allows Group employees to acquire shares in the Company. The fair value of options granted is recognised as an employee expense in profit and loss with a corresponding increase in the share option reserve. The fair value is measured at the grant date and spread over the vesting periods. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account terms and conditions upon which the options are granted. When options are exercised the amount in the share option reserve relating to those options, together with the exercise price paid by the employee, is transferred to share capital.

STRAKER TRANSLATIONS LIMITED CORPORATE GOVERNANCE STATEMENT

31 March 2022

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 March 2022

The Board of Directors of Straker Translations Limited (Straker) is committed to upholding a high standard of corporate governance. Straker complies as far as possible with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (ASX Corporate Governance Principles and Recommendations) having regard to the nature and size of Straker's operations.

This Corporate Governance Statement outlines Straker's commitment to achieving compliance with the central principles of the recommendations set by the ASX Corporate Governance Council based on:

- an overview of Straker's implementation of the ASX Corporate Governance Principles and Recommendations during the year ended 31 March 2022
- an explanation of the ASX Corporate Governance Principles and Recommendations with which Straker does not currently comply and the reasons for any non-compliance; and
- a statement of Straker's intention to take certain actions and adopt certain policies and processes in order to achieve compliance with the ASX Corporate Governance Principles and Recommendations.

Straker's Board charters, corporate governance principles and policies are available on Straker's website at at www.strakertranslations.com

This Corporate Governance Statement was approved by the Board on 30th May 2022.

Principle 1:

Lay solid foundations for management and oversight

A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

The respective roles and responsibilities of Straker's Board and Management

Straker's Board of Directors is the body responsible for the overall corporate governance and decision making within the Company. While Straker's senior executive management team (being employees of Straker who report directly to Straker's Chief Executive Officer) deal with and supervise the day-to-day operational issues and processes experienced by Straker in carrying out its business, the role of the Board is to direct and supervise the management of Straker's business by its senior executive team, and to ensure that the longer-term strategic objectives of the Company continue to be met.

In order to promote efficiency, Straker's Board of Directors may from time to time delegate certain functions to its senior executive management team. Actions delegated to the senior executive management team typically involve management of Straker's resources to deal with day-to-day operations of the business in a way that contributes to Straker's overall strategic direction as set by the Board of Directors. Straker's Board has delegated to the Managing Director all the powers and authorities required to manage the day-to-day operations of Straker's business, except those expressly reserved to the Board or one of its committees.

Straker's Board Charter sets out the role and responsibilities of Straker's Board of Directors and regulates internal Board procedures. Details about the Company's Board are available on Straker's website.

Selection and recommendation of director candidates

Before appointing or putting forward to shareholders any candidate for election or re-election as a Director of Straker, a formal process is undertaken to complete appropriate checks on that candidate, including checks as to that candidate's character, experience, education, criminal record and bankruptcy history.If Straker is satisfied with the results of such checks and determines that the candidate be put forward to shareholders for election, Straker will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect that Director candidate.

Terms of appointment of Directors and senior executives

All newly appointed Directors of Straker are provided with a letter of appointment setting out the term of appointment, remuneration, the Director's roles and responsibilities and the entity's expectations of that Director (including with regard to time commitments, the requirement to disclose Directors' interests and matters affecting the Director's independence, the requirement to comply with key corporate policies, and ongoing confidentiality obligations). Existing Non-Executive Directors of Straker also have their terms of appointment formalised in a written letter of appointment setting out the above items.

All senior executive employees of Straker have their terms of employment (including a description of their position, duties and responsibilities, remuneration arrangements, the role to which they report, termination obligations and entitlements, and ongoing confidentiality obligations) contained in a written agreement with Straker.

The Company Secretary role

Straker's Board has appointed an Australian based Company Secretary following completion of the Company's listing on the ASX. The Company Secretary performs the following functions for which she's accountable directly to Straker's Board:

- advising the Board and its committees on governance matters;
- ensuring compliance with the Company's continuous disclosure obligations;
- monitoring that the Board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of Board and committee papers;
- ensuring that the matters discussed at Board and committee meetings are accurately captured in the minutes of those meetings; and
- helping to organise and facilitate the induction and professional development of Directors.

Diversity

The Company is committed to creating and ensuring a diverse work environment in which everyone is treated fairly, with respect and where everyone feels responsible for the reputation and performance of the Company. Straker understands that diversity and inclusivity in the workforce is a strategic asset, and that a workplace with a genuine balance of employees by gender, age and background will strengthen Straker's business performance and create opportunities to access the best people for Straker's business.

Straker has developed a formal Diversity and Inclusion Policy, which was adopted upon the Company's listing to the ASX in October 2018. A copy of the policy can be found on the Company's website.

As at the date of this statement, the Company has adopted the following measurable objectives:

- Sustaining current overall gender equity position with no more than a 10% variance;
- Increasing representation by females in leadership positions by 5% YOY; and
- Increasing awareness and inclusion of LGBTTQIA+ employees by a Company-wide awareness programme;
- Maintaining a gender-balanced workforce with 50% female employees.

As at the year ended 31 March 2022, the respective proportions of men and women within Straker were as follows:

	Female	Male
Board of Directors	1	5
Executive Team	2	5
Non-Executive Team	23	23
All other employees (not including senior executive staff)	120	94

Performance Management

Straker undertakes formal evaluation processes on an annual basis to review the performance of Straker's Board, various Board committees, individual Directors and senior executive employees. These evaluation processes are conducted as follows:

- **Board performance and Board committee performance:** Straker's Board conduct an annual self-review and evaluation of its own performance (with assistance from the Remuneration & Nomination Committee and the Company Secretary), including the Board's performance against the requirements of the Board Charter.
- **Individual Director performance:** Straker's Chairperson of the Board conducts performance reviews with individual Directors on an annual basis.
- **Senior executive employee performance:** The Remuneration & Nomination Committee periodically evaluates the performance of Straker's senior executives in accordance with the provisions of Straker's Remuneration & Nomination Committee Charter, which is available on Straker's website.

Straker's Board of Directors conducted formal performance review in accordance with the abovementioned processes during April 2022 and will conduct a similar review at or around the end of each following year. The evaluation process noted strengths, recommended improvements and identified areas for increased focus.

Principle 2:

Structure the Board to add value

The Board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

Straker understands the importance of a high performing and effective Board of Directors in ensuring proper governance of a listed entity. Straker has structured its Board of Directors in accordance with the recommendations set out in the ASX Corporate Governance Principles and Recommendations to ensure that the Board is of a sufficient size, independence level, and skill set composition to enable it tomanage the requirements of Straker's business and the industry and market in which it operates.

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 March 2022

Remuneration and Nominations Committee

Straker's Remuneration & Nomination Committee is tasked with overseeing and making recommendations to Straker's Board of Directors on the nomination, selection and appointment of Directors to Straker's Board, the re-election of incumbent Directors, and the remuneration strategies and policies of the Company, including recommendations on the fees to be paid to Directors.

The Remuneration & Nomination Committee has three members, with current members being Tim Williams, Paul Wilson and Phil Norman (a majority of whom are Independent Non-Executive Directors). The Committee is chaired by Tim Williams who is an Independent Director of Straker, in accordance with the requirements of the ASX Corporate Governance Principles and Recommendations. The Remuneration & Nomination Committee Charter sets out the Board's policies and practices regarding the nomination, selection and appointment of new Directors and the re-election of incumbent Directors, as well as the Board's policies regarding the remuneration of Non-Executive Directors and other senior executives and is available on the Company's website.

Skills and experience of Straker's Board of Directors

Straker recognises that its Board of Directors should represent a diverse range of skills, experience and attributes in order to ensure effective decision-making and governance of the Company. Straker's Board of Directors is currently comprised of members with skills and experience in the following areas:

- Strategic capability and leadership;
- Financial management, accounting and audit;
- Commercial focus and knowledge of business practices;
- Capital Markets and financing;
- Technology and Innovation;
- Legal and Regulatory;
- Risk Management;
- Compliance;
- Corporate Governance & ESG;
- Sales and Marketing;
- Digital Media and Communications

There are also a range of qualifications currently represented across Straker's Board of Directors, including in the fields of finance and accounting, business management, sales and marketing, and software development.

Straker's Board of Directors' review on an annual basis the skills, experience and attributes held by the Directors and whether the Board group as a whole possess the skills and experience required to fulfil their role on the Board and relevant Board committees. Where any gaps are identified, the Board will consider what training or development could be undertaken to fill those gaps and provide resources or access to resources to help develops and maintain the skills and knowledge of its Directors.

Board composition and independence

As at the year ended 31 March 2022, Straker's Board comprised the following five Non-Executive Directors:

Name	Position	Date appointed to Straker's board
Phil Norman	Chair and Independent Non-Executive Director	13 January 2014
Grant Straker	Executive Director	21 December 1999
Stephen Donovan	Non-Executive Director	1 December 2004
Paul Wilson	Non-Executive Director	22 September 2015
Tim Williams	Independent Non-Executive Director	24 June 2015
Amanda Cribb	Independent Non-Executive Director	20 July 2020

The Board only considers a Director to be independent where they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgement. On this basis, the following Directors have been determined as being independent as at 31 March 2022 and for the full financial year ending on that date – (Phil Norman, Tim Williams and Amanda Cribb). This is despite the foregoing interests/relationships which the Board considers are not material and do not compromise the independence of the relevant Director:

Options in the following employee incentive schemes:

Name	Plan Scheme	Number	Extra Price	Expiry Date
Phil Norman	Legacy ESOP	13,980	NZ$0.596	31-Mar-23
	LTI ESOP	50,000 120,000	A$1.51 A$0.95	Various Various
Tim Williams	LTI ESOP	25,000	$1.51	26-Sep-24

Grant Straker, Steve Donovan and Paul Wilson are regarded as non-independent based on the ASX criteria in Principle 2 of the ASX Recommendations.

The Board considers the composition of the Board to be appropriate and does not believe that it is detrimental to the Company or its Shareholders that the majority of the Board is not independent.

The Remuneration & Nomination Committee re-assesses the independence of each Non-Executive Director on an annual basis and in cases where a specific need for an independence assessment is identified due to a change in the interests, positions, associations or relationships of one or more Non-Executive Directors. If Straker's Board of Directors determines that a Director's status as an Independent Director has changed, the Board will disclose and explain that determination to the market in a timely manner.

Chair of the Board

The Chair of the Board, Phil Noman, is an Independent Director and is not the CEO.

Induction of new Directors and ongoing professional development

Where a new Director is appointed to Straker's Board, Straker's Chairperson will arrange induction sessions with the new Director in order to brief them on the background and growth story of the Company and advise the new Director on Straker's Board procedures, constitutional documents, corporate governance policies and procedures.

Due to the current size and growth stage of Straker's business, the Director induction and professional development processes of the Company are largely informal. However, as Straker grows in size and market significance, Straker will consider providing Directors with appropriate formalised professional training and development opportunities to allow new and existing Directors to develop and maintain the skills and knowledge needed to perform their roles effectively.

Board and Committee Meeting Attendance

The number of scheduled Board and Committee meetings held during the year ended 31 March 2022 and the number of meetings attended by each of the Directors is set out in the table below:

	Board Meeting		Audit & Risk Management Committee		Nomination & Remuneration Committee	
Name	**A**	**B**	**A**	**B**	**A**	**B**
Phil Norman	13	13	4	4	3	3
Grant Straker	13	13	NA	NA	NA	NA
Stephen Donovan	11	13	4	4	NA	NA
Paul Wilson	11	13	NA	NA	3	3
Tim Williams	11	13	NA	NA	3	3
Amanda Cribb	11	13	4	4	NA	NA

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of a committee during the year

Principle 3:

Instil a culture of acting lawfully, ethically and responsibly

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

Straker is committed to complying with its legal obligations and to acting with honesty, integrity and in a manner consistent with the reasonable expectations of its investors and the wider community.

Company Values

Straker's key objectives are to:

- Embrace change to continually evolve;
- Solve hard problems that others cannot;
- Celebrate success as one team;
- Build trust and empower the Company's teams; and
- Operate one platform with one team.

Code of Conduct

Straker expects that all of its Directors, senior executives and employees will also act ethically and responsibly, in strict compliance with all applicable laws, regulations, and in accordance with accepted principles of good corporate citizenship. In order to demonstrate Straker's commitment to acting ethically and responsibly, Straker's Board of Directors has developed a Code of Conduct that clearly defines Straker's core values, articulates what Straker regards as acceptable business practices, and sets out the standards and expectations required of Straker's Board of Directors, senior executives and employees in performing their duties. Straker's Code of Conduct is available on Straker's website.

Whistleblower Policy

Straker has developed a Whistleblower Policy, which was adopted on 26 February 2020.

The purpose of the Whistleblower Policy is to encourage the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving the Company's businesses. The Company provides protections and measures so that anyone who makes a report may do so confidentially and without fear of intimidation, disadvantage or reprisal.

The Whistleblower Protections Officers, which include any Director, Company Secretary or Auditor of Straker receives reports of material breaches of the policy, including action taken in response to breaches.

A copy of the Whistleblower Policy can be found on the Company's website.

Anti-Bribery and Corruption policy

Straker has developed an Anti-Bribery and Corruption Policy, which was adopted in April 2019.

The purpose of the Anti-Bribery and Corruption Policy is to set out Straker position on matters relating to bribery and similar problematic conduct, and the responsibilities of those to whom this policy applies. It also provides guidance on how to recognise and deal with such conduct.

The Company Secretary, Chair of the Board and Chair of the Audit & Risk Management Committee receives reports of material breaches of the policy.

A copy of the Anti-Bribery and Corruption Policy can be found on the Company's website.

Principle 4:

Safeguard integrity in corporate reports

A listed entity should have appropriate processes to verify the integrity of its corporate reporting.

Audit and Risk Management Committee

Straker's Audit and Risk Management Committee is tasked with reporting to Straker's Board of Directors on the integrity of Straker's financial reporting process, its internal and external audit functions, and its internal control and risk management process. In accordance with the requirements of the ASX Corporate Governance Principles and Recommendations, the Audit and Risk Management Committee comprises of at least three Non-Executive Director members, being Amanda Cribb, Steve Donovan and Phil Norman (a majority of whom are Independent Directors).

The ASX Corporate Governance Principles recommend that the Audit and Risk Management Committee will be chaired by an independent Director. Straker's Board of Directors have had regard to the skills and experience of the Board and have determined that Amanda Cribb is the most appropriate member of the Board to act as chair of the Audit and Risk Management Committee. The relevant qualifications and experience of the members of the Audit and Risk Management Committee are available in the Annual Report.

The Audit and Risk Management Committee Charter sets out the policies and practices of Straker's Board of Directors regarding the financial audit and risk management processes of Straker and is available on the Straker's website.

Declaration of Managing Director and CFO on financial statements

As a New Zealand incorporated Company, Straker is not subject to section 295A(4) of the Corporations Act 2001 (Cth) (which requires that the CEO/Managing Director and CFO of a listed entity to provide certain declarations regarding the financial statements for that entity in each financial year). However, in accordance with the ASX Corporate Governance Principles and Recommendations, Straker's Managing Director and CFO provided to Straker's Board of Directors (prior to the approval by the Board of Straker's financial statements for a financial period) a written opinion to the Board of Directors that, in their opinion:

- Straker's financial reports comply with the appropriate accounting standards;
- Straker's financial reports give a true and fair view of Straker's financial position and performance; and
- the opinion of the Managing Director and CFO has been formed on the basis of a sound system of risk management and internal control, which is operating effectively.

Periodic corporate reporting

Periodic reports are subject to approval from the Board or a Committee before release. The approval process includes confirmation from Management to the Directors that the relevant report has been reviewed and is accurate.

Principle 5:

Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Complying with Continuous Disclosure Obligations

Straker complies with the continuous disclosure obligations contained in the ASX Listing Rules. As part of these continuous disclosure obligations, where Straker becomes aware of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Straker's securities, Straker must immediately disclose that information to the market (subject to limited exceptions available under the ASX Listing Rules).

To encourage and assist compliance by Straker's Board of Directors and its employees with these continuous disclosure obligations, Straker's Board of Directors have developed a Continuous Disclosure Policy which is available on Straker's website. The Continuous Disclosure Policy has been developed with regard to ASX Listing Rules 3.1-3.1B and relevant ASIC regulatory guidance with respect to disclosure for investors. The Company Secretary will have primary responsibility for all relevant regulatory filings to ensure Straker's compliance with its continuous disclosure obligations.

Market Announcements

To ensure the Board has timely visibility of all information being disclosed to the market, all material announcements are circulated to the Board promptly after they have been made.

Investor and Analyst Presentations

All substantive investor or analyst presentations issued by Straker are released via the ASX Platform prior to commencement of the relevant presentation.

Principle 6:

Respect the rights of security holders

A listed entity should provide information about itself and its governance to investors via its website.

Access to information about Straker and its governance

In accordance with the ASX Corporate Governance Principles and Recommendations, Straker has an "Investors" section on its website, from which all relevant corporate governance information about Straker can be accessed by the general public. Such information includes:

- this corporate governance statement;
- Straker's constitution, Board charter and Board committee charters;
- the Straker code of conduct;
- various corporate governance policies; and
- names, photographs and summarised biographical information for each of Straker's Directors and senior executives.

Other relevant information and documents about Straker, including but not limited to copies of Straker's annual reports and financial statements, copies of Straker's announcements to the ASX, and copies of notices of meetings of shareholders (and any accompanying documents) can be accessed on relevant areas of Straker's website.

Shareholder relations

Straker has implemented a formal Shareholder Communications Policy to ensure that shareholders are provided with sufficient information to assess the performance of Straker at regular intervals and are informed of all major developments affecting the state of affairs of Straker, in accordance with applicable laws. A copy of Straker's Shareholder Communications Policy has been adopted and is available on Straker's website.

Pursuant to Straker's Shareholder Communications Policy, Straker regularly provides information to shareholders via:

- market releases to the ASX in accordance with Straker's continuous disclosure obligations;
- the investor relations section of Straker's website;
- investor webinars and podcasts;
- Straker's annual and half-yearly reports; and
- Straker's Annual Meeting.

In addition to providing shareholders with information about the Company, Straker also provides opportunities for two-way communication between shareholders and Straker by requesting that its external auditor and the relevant chairs of the various Board committees attend Straker's Annual Meeting to be available to answer any shareholder questions about the conduct of the audit and the preparation and content of the audit report, or about the activities of the various Board committees. Shareholders are encouraged to express to the relevant Straker representatives present at the Annual Meeting any matters of concern or interest to shareholders, with the understanding that these views will be communicated to Straker's Board of Directors for consideration.

Shareholder participation at General Meetings

The Annual Meeting provides an open forum for the Board of Directors to communicate directly with Straker's shareholders. It is also an opportunity for shareholders to express views and ask questions.

Shareholders who are not able to attend the Annual Meeting and exercise their right to ask questions about or make comments on the management of Straker will be given the opportunity to provide questions or comments ahead of the Annual Meeting. Where appropriate, these questions will be considered and answered at the Annual Meeting.

Poll Resolutions

Straker's practice at all security holder meetings, is that all resolutions are decided by a poll rather than by a show of hands.

Electronic communications

Straker encourages its shareholders to receive information and communications from, and send communications to, Straker and its share registry electronically. Shareholders may elect to send and receive communications electronically by registering their email address online with Straker's share registry.

Principle 7:

Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Straker is committed to the establishment and maintenance of a sound risk management framework encompassing oversight, management and internal control of risks within and facing Straker's business.

Audit and Risk Management Committee

As outlined above (see Principle 4), Straker's Audit and Risk Management Committee, oversees and reports to the Board of Directors on the integrity of Straker's financial reporting process and risk management process. Please see Principle 4 for further information on the membership structure and committee charter of Straker's Audit and Risk Management Committee.

Annual review of Straker's risk management framework

The Audit and Risk Management Committee, regularly reviews and discusses the major risks affecting Straker's business and develops strategies to mitigate these risks throughout the year, and reviews Straker's overall risk management framework at least annually to ensure that the framework continues to be effective and suitable to the risks involved in Straker's business.

Evaluating and improving risk management and internal control processes

While Straker does not have an internal audit function, Straker's Board of Directors ensures that the risk management and internal control processes of Straker are regularly evaluated and the effectiveness of these processes will be continually improved through review by the Audit and Risk Committee, and by the Board of Directors of Straker.

Where it considers necessary, Straker's Board of Directors will consider the recommendations of the external auditors and other external advisers in relation to Straker's financial reporting process and risk management framework, and appropriate action will be taken by the Board of Directors to ensure that key risks, as identified, are managed effectively.

Material exposure to risk

Straker's Board of Directors ensures that any material exposure of Straker to economic, environmental and social sustainability risks will be disclosed in accordance with the requirements of ASX Listing Rule 3.1.

The Board has considered the Company's exposure specifically to economic, environmental and social sustainability risks and has determined the following:

- **Economic risks** – The business is exposed to general economic conditions. Specifically, material risk exists in relation to: competition and new technologies; reliance on key personnel; data loss, theft or corruption; technology platform failure; the impact of privacy laws and regulations; country specific risks in new unfamiliar markets. In addition the Covid-19 global pandemic has been extraordinarily disruptive with dramatic health-related effects in terms of the death toll, number of affected patients and worldwide negative economic consequences. The uncertainty around how long this situation will persist increases the complexity of formulating a concise response, and Straker Translations recognises that it will have to be proactive in assessing the Covid-19 risk and vulnerably from an operational and financial standpoint.
- **Cyber risks -** Straker Translations aims to provide its customers, as well as other stakeholders including contractors and employees, with increased cyber security precautions and greater resilience in a constantly evolving cyber security landscape. Straker Translations makes a conscious effort to continually refine its approach towards information security, risk appetite and accountability frameworks. The Company is certified to the standards required in ISO27001 and in ISO9001; in addition its data centers hold information security certifications including SOC1, SOC2 and SOC3 (Service Organisation Controls).
- **Environmental & Social sustainability risks** Straker Translations recognises that there is an increasing global focus on environmental and sustainable business practices. The business is continuing to explore how it may enhance its reporting on environmental and social matters in a way that would be useful to investors and other stakeholders to better understand its business operations and its environmental and social impact. Straker Translations is in the process of obtaining B Corp certification which is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors including employee benefits, supply chain practices and input materials. In order to achieve certification, a company must demonstrate high social and environmental performance by achieving a B Impact Assessment score of 80 or above and passing an independent review.

Principle 8:

Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite

Remuneration & Nomination Committee

As outlined above (see Principle 2), Straker's Remuneration & Nomination Committee's principal function is the oversight of the remuneration strategies and policies of the Company. Please see Principle 2 for further information on the membership structure and committee charter of Straker's Remuneration & Nomination Committee.

Board review and determination of remuneration structures

Straker's Board of Directors reviews the overall remuneration structure and policies and will consider recommendations from the Remuneration & Nomination Committee. No individual Director or senior executive is or will be involved in deciding his or her own remuneration.

The Board of Directors of Straker may seek the advice of external advisers from time to time in order to develop remuneration packages to retain and attract high quality Non-Executive Directors and senior executives and encourage these Directors and executives to pursue the growth and success of the entity without taking undue risks

Straker's non-executive Directors are paid by way of fees for services up to a maximum aggregate sum of $A600,000 per annum as approved by shareholders at the Company's Annual Meeting held on 25 September 2018. Only with prior shareholder approval in General Meeting may fees be paid to Non- Executive Directors in excess of this $A600,000 fee cap.

As at 31 March 2022, non-executive Directors were paid $A60,000 per annum with the Chair receiving $A96,000 per annum. Grant Straker, who is an Executive Director, is not paid Director's fees.

In addition, Straker's Directors are entitled to participate in the Company's Employee Share Options Schemes, which requires approval by shareholders before further option issuancescan be made to Directors.

As at 31 March 2022, the following Directors held options in Straker's legacy ESOP scheme:

- Phil Norman: 13,980 options issued at $NZ0.596

On 26 September 2018, additional options were issued to Directors in Straker's new, LTI ESOP scheme:

- Grant Straker: 300,000 options issued at $A1.51
- Phil Norman: 50,000 options issued at $A1.51
- Paul Wilson: 50,000 options issued at $A1.51
- Steve Donovan: 25,000 options issued at $A1.51
- Tim Williams: 25,000 options issued at $A1.51

On 30 August 2020, additional options were issued to Directors in Straker's new, LTI ESOP scheme:

- Grant Straker: 113,000 options issued at $A0.95
- Phil Norman: 120,000 options issued at $A0.95

On 1 July 2021, additional options were issued to Directors in Straker's LTI ESOP scheme:

- Grant Straker: 191,301 options issued at $A1.83

Straker's CEO and Managing Director and other senior executives are paid by way of cash salaries, in addition to which they are entitled to an STI cash bonus expressed as a percentage of base salary. Payment of the STI cash bonuses is assessed by the Remuneration and Nomination Committee following each year-end and after completion of the audited annual financial statements and is linked to the achievement of annually agreed corporate and individual KPI's.

STI bonuses were paid to the CEO and Managing Director and other senior executives during the period-totalling NZ$179,509. as follows:

The Company's CEO and Managing Director is paid $NZ350,000 per annum as at 31 March 2022 and has the potential to be paid an STI cash bonus of up to 50% of his base salary.

In addition, Straker's senior executives are entitled to participate in the Company's Employee Share Option Schemes. Option grants were made to various employees during the year ended 31 March 2022.

Aligning remuneration and performance to the creation of value for shareholders

As at the year ended 31 March 2022, Straker had in place an employee share option plan (**ESOP**) entitling certain Directors, senior executive staff and other employees to the issue of options over ordinary shares in Straker, according to the terms of the plan.

To ensure that Straker's incentive strategies are appropriate for an ASX listed entity and continue to align the interests of Directors and senior executives with the creation of value for shareholders, Straker's Board of Directors has taken the following steps:

- retained the existing ESOP scheme that was in place prior to the IPO with some minor amendments to ensure compliance with the relevant ASX listing rule requirements (this old ESOP scheme will be grandfathered); and
- established a new Long Term Incentive Employee Share Option Scheme (**LTI scheme**) to provide long-term incentives for qualifying employees, contractors, Directors and advisers of Straker, under which options over the ordinary shares of Straker may be issued to such qualifying employees, contractors, Directors and advisers of Straker. The new LTI scheme was approved by Straker's Board and shareholders and adopted at Straker's 2020 Annual Meeting.

Under Straker's Securities Trading Policy, participants in either or both of Straker's LTI and ESOP schemes are not permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risks of participating in the relevant scheme (or schemes, as the case may be).

Any options offered to Directors and/or senior executives after Straker was listed on the ASX will be subject to Board and/or shareholder approval as required by applicable law, the ASX listing rules and Straker's constitution.

STATUTORY INFORMATION

As required under s(211) of the Companies Act 1993, the Company and Group disclose the following statutory information.

Entries made into the Companies Interest Register

Director	Relevant Interest	% of Ordinary Shares Owned 31 March 2022	% of Ordinary Shares Owned 31 March 2021
Stephen Donovan	Ordinary Shares	2.32%	2.90%
Philip Norman	Ordinary Shares	0.12%	0.12%
Grant Straker	Ordinary Shares	8.96%	13.20%
Timothy Williams	Ordinary Shares	0.17%	0.21%
Paul Wilson	Ordinary Shares	0.37%	0.46%

Philip Norman acquired 13,990 ordinary shares through the exercise of share options in the current year.

Grant Straker disposed of 1,100,000 ordinary shares during the current year.

Directors' remuneration for the current and prior year is disclosed in Note 26 of the financial statements for the year ended 31 March 2022.

ADDITIONAL DISCLOSURES

Number of Employees or Ex-Employees, excluding Directors, who received benefits exceeding $100,000 during the year:

	2022	2021
$100,001 to $110,000	8	3
$110,001 to $120,000	5	3
$120,001 to $130,000	6	5
$130,001 to $140,000	6	3
$140,001 to $150,000	5	0
$150,001 to $160,000	5	2
$160,001 to $170,000	1	0
$170,001 to $180,000	1	0
$180,001 to $190,000	0	3
$190,001 to $200,000	4	1
$200,001 to $210,000	3	0
$210,001 to $220,000	1	0
$220,001 to $230,000	0	0
$230,001 to $240,000	1	1
$240,001 to $250,000	1	0
$250,001 to $260,000	2	2
$260,001 to $270,000	1	0
$270,001 to $280,000	2	0
$280,001 to $290,000	1	1
$290,001 to $300,000	3	1
$330,001 to $340,000	1	0
$360,001 to $370,000	0	1
$430,001 to $440,000	1	0

Auditor's Remuneration

Fees payable to the Group auditor, and its affiliates, for assurance and non-assurance services are disclosed in Note 6 of the financial statements for the year ended 31 March 2022.

Donations

The Group made donations during the year of $nil (2021: nil).

Equity holding of all Directors

	Notes	Number of shares	Number of options
Non-executive Directors			
Stephen Donovan		1,575,830	25,000
Philip Norman		77,980	197,970
Timothy Williams		114,760	25,000
Paul Wilson		250,000	50,000
Amanda Cribb		-	-
Executive Directors			
Grant Straker		6,072,513	604,300

Entries recorded in the interests register

Straker maintains an interests register in accordance with the Companies Act 1993 (New Zealand). The following are particulars of entries made in the interests register during FY22:

ADDITIONAL DISCLOSURES CONTINUED

Directors' Interests

Directors disclosed the following relevant interests, or cessations of interest, the following entities.

Director / Entity	Relationship
Steve Donovan	
Buro Seating Limited and Buro Seating Limited Partnership	Director & Shareholder
Dopast Holdings Limited	Director & Shareholder
New Zealand Pure Dairy Products Limited	Director & Shareholder
Canaveral Corner Limited	Director & Shareholder
Allright Group Limited	Trustee
Sherwood Country Limited	Trustee
Aritech Innovations Limited	Trustee
Aritech Investments Limited	Trustee
Radius Group Limited	Trustee
Rosetta Finance Limited	Shareholder
Advanced Customs Service Limited	Trustee
Viranda Holdings Limited	Director & Shareholder
Bailador Technology Investments Limited	Shareholder
Blue Frog Breakfast Limited	Shareholder
Amanda Cribb	
Human Resources Institute of New Zealand (HRNZ)	Independent Director
Nealon Whanau Trust	Trustee
Flux Federation	CFO
Fronde Technologies Ltd	Independent Director
Phil Norman	
Plexure Group Limited (ASX/NZX dual listed)	Director & Shareholder
Plexure Limited	Director
VMob IP Limited	Director
VMob Singapore Pte Limited	Director
Xero Limited (ASX listed)	Shareholder
Loyalty New Zealand Limited	Director
UBNZ World Markets (NZ) Limited	Shareholder
iSport Federation Holdings Limited	Shareholder
Nortek Management Services Limited	Director & Shareholder
TruScreen Limited (NZX listed)	Shareholder
MyWave Holdings Limited	Shareholder
Touchpoint Group Limited	Director & Option Holder
Bright Spark Innovations GP Limited	Director & Option Holder
Sitesoft International Limited	Director
Atrax Group New Zealand Limited	Advisory Board Member
Liquidity Pty Limited	Advisory Board Member
Just Life Group Limited (NSX listed)	Director
Trade Window Holdings Limited	Director
Trade Window Limited	Director

Director / Entity	Relationship
Grant Straker	
Serko Limited (NZX/ASX dual listed)	Shareholder
Bailador Technology Investments Limited (ASX listed)	Shareholder
Ubco Limited	Shareholder
Plexure Group Limited (ASX/NZX dual listed)	Shareholder
My Food Bag Group Limied (ASX/NZX listed)	Shareholder
Timothy Williams	
90 Seconds TV Pte Limited (Singapore domiciled)	Director & Shareholder
Donovan Group NZ Limited	Director & Shareholder
Donovan Group International Limited	Director
Donovan Group Properties Limited	Director
Donovan Group Modular Limited	Director
Donovan Group Holdings Limited	Director
Technomancy Global Limited	Director & Shareholder
The Icehouse Limited (NPO)	Director
Shuttlerock Limited	Shareholder
Horizon Management Limited	Director
Remington Properties Limited	Shareholder
Photowonder New Zealand Limited	Director
Design Station Limited	Director
Firstwood Limited	Director
Spoke Network Limited	Director
Managwhai Village Development Limited	Director
Modern Building Product (2018) Limited	Director
T Williams Trustees Limited	Director
Kiwispan 2017 Limited	Director
Coresteel New Zealand Limited	Director
President's Bush Limited	Director & Shareholder
Global Crop Traders Co Limited	Director
TWG General Partner Limited	Director & Shareholder
Circular Plastics General Partner Limited	Director & Shareholder
Home Research Limited	Director
Picsos Limited	Director
Our Home Direct General Partner Limited	Director
MBP Company Limited	Director
Dawn Aerospace Co. Ltd	Shareholder
Icehouse Ventures Limited	Shareholder
Paul Wilson	
Vita Group Limited	Director & Shareholder
Royals Multisport Private Limited (India)	Director & Shareholder
InstantScripts Pty Limited	Director & Shareholder
SiteMinder Limited	Director & Shareholder
Bailador Technology Investments Limited	Director & Shareholder
Bailador Investment Management Pty Limited	Director & Shareholder
Peandel Pty Limited	Director & Shareholder
Kismet Pty Limited	Director & Shareholder

ADDITIONAL DISCLOSURES CONTINUED

Share Dealing Of Directors

Directors disclosed the following acquisitions or disposals of relevant interests in Straker shares during the year. All dollar figures in this table are in Australian dollars.

Registered holder	Date of acquisition/ (disposal)	Consideration per share	Number of shares acquired/(disposed)
Philip Norman	3 March 2022	0.596	13,990
Grant Straker	1 July 2021	1.90	(1,100,000)

Insurance

In accordance with the Companies Act 1993 (New Zealand), Straker has continued to insure its directors and officers (through renewal of its D&O insurance policy) against potential liability or costs incurred in any proceeding, except to the extent prohibited by law.

Remuneration disclosures

Information about non-executive and executive directors remuneration is provided on page 84 of this report. The total remuneration available to non-executive directors is fixed by shareholders. Currently, the annual total aggregate non-executive directors' remuneration is capped at AUD 600,000 as approved by shareholders at the Annual General Meeting in September 2018.

Information regarding employee remuneration exceeding $100,000 per annum is presented on page 104 of this report.

Shareholder information

The shareholder information set out below is current at 31 March 2022.

Issued capital

The total number of issued ordinary shares in Straker Translations Limited as at 31 March 2022 was 67,797,015.

ADDITIONAL DISCLOSURES CONTINUED

Distribution of shareholding

Range	Number of holders	%	Ordinary shares	%
1 to 1,000	351	26.94	193,386	0.29
1,001 to 5,000	470	36.07	1,237,468	1.83
5,001 to 10,000	195	14.97	1,426,705	2.10
10,001 to 100,000	241	18.50	6,682,512	9.86
100,001 and over	46	3.53	58,241,533	85.93
Total	**1,303**	**100.00**	**67,781,604**	**100.00**

Un-marketable share parcels

Range	Number of holders	%	Ordinary shares	%
< AUD$500	105	8.06	21,161	0.03

Distribution of share options

Range	Number of holders	%	Ordinary shares	%
2,001 to 10,000	9	20.93	87,900	2.35
10,001 to 100,000	26	60.47	1,041,544	27.83
100,001 and over	8	18.60	2,613,326	69.82
Total	**43**	**100.00**	**3,742,770**	**100.00**

Options

There were 43 individuals holding a total of 3,742,770 unlisted options.

ADDITIONAL DISCLOSURES CONTINUED

Substantial holdings and limitations on the acquisition of securities

Straker is a New Zealand incorporated and domiciled company listed on the Australian Securities Exchange (ASX). From a regulatory perspective, this means that while the ASX Listing Rules apply to Straker, certain provisions of the Australian Corporations Act 2001 (Cth) do not. Straker is not subject to chapters 6, 6A, 6B, and 6C of the Australian Corporations Act 2001 (Cth) dealing with the acquisition of its shares (including substantial holdings and takeovers). The Companies Act 1993 (New Zealand) applies to Straker, while certain provisions of the Financial Markets Conduct Act 2013 (New Zealand) do not.

There is no requirement on Straker's substantial shareholders to provide substantial holder notices to Straker. Straker is aware of the following substantial shareholders with a holding of 5% or greater:

Name		Number of ordinary shares held	% of total issued capital
1	Mr Scobie D Ward	9,814,621	14.48
2	Bailador Technology Investments Limited	9,160,354	13.51
3	Angelina I Hunter & Merryn J Straker & Grant O Straker	6,072,513	8.96
4	Clime Asset Management Limited	5,861,896	8.65
5	Australian Ethical Investment Limited	4,342,675	6.41
6	Skyone Capital Pty Ltd	4,095,326	6.04
7	Mr Michael Gregg & Mrs Suzanne Jane Gregg	3,428,605	5.06
Total substantial Shareholders		**42,775,990**	**63.09**

Key limitations on the acquisition of shares in Straker are imposed by the following legislation: Commerce Act 1986, Overseas Investment Act 2005 and Takeovers Act 1993, together with various regulations and codes promulgated under such legislation.

ADDITIONAL DISCLOSURES CONTINUED

Top 20 Holders
The names of the 20 largest holders of Straker's ordinary shares are set out below

	Name	Number of ordinary shares held	% of total issued capital
1	Mr Scobie D Ward	9,814,621	14.48
2	Bailador Technology Investments Limited	9,160,354	13.51
3	Angelina I Hunter & Merryn J Straker & Grant O Straker	6,072,513	8.96
4	Clime Asset Management Limited	5,861,896	8.65
5	Australian Ethical Investment Limited	4,342,675	6.41
6	Skyone Capital Pty Ltd	4,095,326	6.04
7	Mr Michael Gregg & Mrs Suzanne Jane Gregg	3,428,605	5.06
8	Washington H Soul Pattinson And Company Limited	2,545,125	3.75
9	Mr Stephen Donovan	1,575,830	2.32
10	Mr & Mrs Ian Bailey	1,306,540	1.93
11	Accident Compensation Corp	1,236,757	1.82
12	Lingotek Inc	989,022	1.46
13	Mr David Sowerby	918,810	1.36
14	Mr Leigh Morgan	530,000	0.78
15	Mr Austin Miller	507,772	0.75
16	Mr Donald Straker	400,845	0.59
17	Mr Indiver Nagpal	380,000	0.56
18	Mr & Mrs Craig P Andrews	298,795	0.44
19	Mr & Mrs David J Denholm	271,794	0.40
20	Mr Paul R Wilson	250,000	0.37
Top 20 holders of ordinary fully paid shares (total)		**53,987,280**	**79.63**
Other shareholders (balance on register)		**13,809,735**	**20.37**
Grand total		67,797,015	100.00

Voting rights

Straker has a single class of ordinary shares on issue. Where voting at a meeting of shareholders is by voice or a show of hands, every shareholder present in person, or by representative, has one vote. On a poll, every shareholder present in person, or by representative, has one vote for each fully paid ordinary share. In practice, Straker ensures that all resolutions at shareholder meetings are decided by poll rather on a show of hands. Share options carry no voting rights until they are fully exercised and converted into actual shares. On market buy-back there is no on-market buy-back for Straker shares.

On market buy-back

There is no on-market buy-back for Straker shares.

Restricted ordinary shares

There were no restricted ordinary shares as at 31 March 2022.

Matters of circumstance arisen since year end

There have been no material matters of circumstance that have arisen since year end.

Environment issues

The Group is not affected by any significant environmental regulation in respect of its operations.

DIRECTORY

Company Numbers	New Zealand 1008867 Australia 628 707 399
Registered office	New Zealand Level 2, 49 Parkway Drive Rosedale, Auckland 0632 Australia C/o Boardroom Pty Limited Level 12 225 George Street Sydney, NSW 2000
Head Office Address and Principal Place of Business	Level 2, 49 Parkway Drive Rosedale Auckland 0632 New Zealand
Directors	Phil Norman (Chair) Grant Straker (Managing Director and Chief Executive Officer) Steve Donovan Paul Wilson Amanda Cribb Tim Williams

Auditor	BDO, Auckland
Share Registrar	Link Market Services Limited Level 12 680 George Street Sydney, NSW 2000 Australia Phone: +61 2 8280 7100
Stock Exchange	Straker's shares are listed on the Australian Securities Exchange (ASX code: STG)
Company website	www.strakertranslations.com