

ASX ANNOUNCEMENT

30 January 2019

STRAKER TRANSLATIONS LIMITED (ASX: STG) REPORTS POSITIVE QUARTERLY CASHFLOW UPDATE

Straker Translations Limited ('Straker'), a leading global technology driven translation services platform, today released its Appendix 4C for the 3rd quarter of the financial year ending 31 March 2019 (Q3 FY19).

Straker reported unaudited cash collections of \$6.8m (NZD) for the quarter, up 55% on the previous corresponding period (Q3 FY18: \$4.4m) and taking the year to date cash collections to \$17.6m. On a proforma basis, the Q3 FY19 inflows were up 6% on Q3 FY18. Cash collections continue to be driven by growth in the organic business and from the acquired businesses performing as expected.

The operating cash flow was positive for the quarter at \$0.27m, compared to an outflow of (\$0.32m) for the same period last year. On a year to date basis, the operating cashflow improved to negative (\$0.69m), up from negative (\$0.96m) in Q2 FY19.

Straker invested (\$0.2m) in capitalised R&D and spent a further (\$0.2m) on acquisition related activity for the quarter.

The business received a net amount of \$17.3m from the proceeds of the IPO (completed in October 2018), after deducting transaction costs and a share sell down. The business paid out (\$0.2m) for the quarter in relation to deferred consideration on previously acquired businesses.

After foreign exchange revaluations of negative (\$0.7m), the business closed Q3 FY19 with a bank balance of \$19.8m.

The company remains on track to achieve its prospectus forecast.

Enquiries

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About Straker Translations Limited

Based in New Zealand and founded in 1999, Straker has established itself as a leading global technology driven translation services platform. Straker has developed a hybrid translation platform that utilises a combination of machine translation and a crowd-sourced pool of freelance translators.

Straker's cloud-based platform manages the end-to-end translation process, leveraging machine translation technology (comprising both third-party owned engines and engines within Straker's platform) to create a first draft translation and subsequently matching the customer's content with one or more of the approximately 13,000 crowd-sourced human freelance translators for refinement. This process is managed using Straker's proprietary "RAY Translation Platform", which has been developed over eight years and is an enterprise grade, end-to-end, cloud-based platform. By leveraging machine translation and its big data assets, the RAY Translation 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.

For more information visit www.strakertranslations.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity: Straker Translations Limited

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ABN: 628 707 399

Quarter ended ("current quarter")

Consolidated statement of cash flows	Current quarter \$NZD'000	Year to date (9 months) \$NZD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,826,540	17,646,540
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(2,986,799)	(8,590,984)
(c) advertising and marketing	(394,398)	(1,248,943)
(d) leased assets	(135,599)	(361,894)
(e) staff costs	(2,207,399)	(5,904,181)
(f) administration and corporate costs	(867,164)	(2,288,163)
1.3 Dividends received (see note 3)		
1.4 Interest received	40,770	66,560
1.5 Interest and other costs of finance paid	(7,077)	(7,077)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	268,875	(688,142)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(8,333)	(62,261)
(b) businesses (see item 10)		(2,157,915)
(c) investments		
Consolidated statement of cash flows	Current quarter \$NZD'000	Year to date (9 months) \$NZD'000
(d) intellectual property	(168,000)	(528,735)
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)	(225,039)	(484,318)
2.6 Net cash from / (used in) investing activities	(401,372)	(3,233,229)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	23,162,682	23,162,682
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(2,816,239)	(3,275,196)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(190,710)	(217,314)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (Share selldown)	(3,088,798)	(3,088,798)
3.10 Net cash from / (used in) financing activities	17,066,936	16,581,375

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	3,585,032	7,823,853
4.2 Net cash from / (used in) operating activities (item 1.9 above)	268,875	(688,142)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(401,372)	(3,233,229)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	17,066,936	16,581,375
Consolidated statement of cash flows	Current quarter \$NZD'000	Year to date (9 months) \$NZD'000
4.5 Effect of movement in exchange rates on cash held	(694,912)	(659,298)
4.6 Cash and cash equivalents at end of quarter	19,824,559	19,824,559
5. Reconciliation of cash and cash equivalents at the end of the quarter (as	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	12,836,591	3,583,713
5.2 Call deposits	6,986,747	-
5.3 Bank overdrafts		
5.4 Other (cash)	1,221	1,319
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	19,824,559	3,585,032

6. Payments to directors of the entity and their associates	Current quarter \$NZD'000
6.1 Aggregate amount of payments to these parties included in item 1.2	77,355
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$NZD'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end	Amount drawn at quarter end
		\$NZD'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$NZD'000	
9.1 Research and development	(168,000)	
9.2 Product manufacturing and operating costs	(2,650,000)	
9.3 Advertising and marketing	(450,000)	
9.4 Leased assets	(135,599)	
9.5 Staff costs	(2,179,000)	
9.6 Administration and corporate costs	(882,000)	
9.7 Other (provide details if material)		
9.8 Total estimated cash outflows	(6,464,599)	
10. Acquisitions and disposals of business entities (items 2.1)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Director/Company secretary)

Date: 30/01/2019

Print name: Phil Norman

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.