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## **ASX ANNOUNCEMENT for Immediate Release**

10 February 2020

### **STRAKER ACQUIRES WELLINGTON BASED NZTC INTERNATIONAL, NEW ZEALAND'S LONGEST ESTABLISHED TRANSLATION COMPANY**

#### **Key highlights:**

- Adds scale in Straker's home market and extends its presence in the Asia Pacific region.
- Opportunity to grow revenues across NZTC International's customer portfolio that includes a wide range of leading global companies and Government departments.
- Adds "interpretation" to Straker's product service offering.
- Earnings accretive, with substantial upside potential once integrated onto Straker's Ai powered RAY platform.

Straker Translations Limited (ASX: STG), a world leading translation platform building the future of global communication bringing machines and humans together, is pleased to announce that it has acquired The New Zealand Translation Centre Limited (**NZTC International**), a privately owned translation company with over 30 years' experience in the international translation and interpreting market.

#### **Overview of NZTC International**

NZTC International, headquartered in Wellington, New Zealand (and with an office in Hawkes Bay) is New Zealand's longest established translation company with over 30 years' experience in the international translation and interpreting market.

With 25 full time employees based across NZTC International's two offices, its portfolio of customers comprises well known multi-nationals such as Air New Zealand, Orica and Fonterra, New Zealand Government agencies such as the Ministry of Justice, and SME's, including highly specialised advertising and PR agencies.

NZTC International's unaudited revenue for the previous 12 months was NZ\$4.3 million. Having operated a strong and stable business over the past 30 years, founders Liz Seymour and Paul Sulzberger believed the business would greatly benefit from the leading edge technology that Straker provides, along with being part of a bigger global company. Both will stay with NZTC International until the business has been fully integrated onto Straker's Ai powered RAY platform.

## **An attractive acquisition strengthening Straker’s business in the Asia Pacific region**

The global Enterprise market is increasingly moving towards comprehensive solution packages across geographies, languages and services. The acquisition of NZTC International strategically adds “interpreting” services and supports Straker’s ability to provide Enterprise customers with an integrated global offering covering translations, interpretation and media localisation on a single technology.

Grant Straker, CEO and co-founder of Straker said: *“We are delighted to welcome NZTC International into Straker. There is a strong culture fit between the two companies, and this acquisition solidifies Straker’s leading position in New Zealand, further strengthens Straker’s customer portfolio, and has substantial upside once it is integrated onto our Ai powered RAY platform.*

*“Many of NZTC International’s customers are located in the Asia Pacific region, and not just in New Zealand. We see strong growth from the Asia Pacific region, and this acquisition further strengthens our growth platform in this region. It consolidates Straker as one of Australasia’s largest language service providers, being able to provide a full suite of products and solutions to our growing base of Enterprise customers.”*

Following the successful integration of On-Global Language Marketing SL onto Straker’s Ai powered RAY platform, we are confident that we will be able to successfully integrate NZTC International in a short period of time and deliver a significant uplift in earnings from this business. Historically, NZTC International has used a legacy translation management platform, and switching to Straker’s Ai powered RAY platform will deliver to its customers significant improvements in service range, quality, project management capabilities and speed.

### **Acquisition details**

- Consideration of NZ\$924,314 paid up-front comprising:
  - NZ\$824,314 in cash, funded from Straker’s cash reserves.
  - NZ\$100,000 in Straker shares (the equivalent of 80,000 shares issued at the closing market price of A\$1.20 (NZ\$1.25) on 7 February 2020, the day the transaction completed. These shares will be escrowed for 4 months.
- Potential for a maximum earn-out payment of up to NZ\$775,000.
- Initially, there will be no changes to NZTC International’s management team as a consequence of this transaction.
- All material conditions have been satisfied.
- There is no other material information relevant to assessing the impact of the transaction on the price or value of Straker’s securities.

Straker is continuing to progress discussions with several other potential acquisitions in Europe, the USA and the Asia Pacific region.

### **Authorisation**

This announcement has been authorised for release by the Board.

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**About Straker Translations**

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 Translations has developed a hybrid translation platform that utilises a combination of Ai, machine-learning and a crowd-sourced pool of freelance 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 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 translations 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](http://www.strakertranslations.com)