

straker 

INTERIM REPORT FY2026

 ASX : STG
STRAKER



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.

Straker is a world leading AI data driven language translation platform powering the global growth of businesses



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Highlights

\$19.3 m

Revenue

\$0.53 m

Adj EBITDA positive

66.4 %

Gross Margin

\$8.7 m

Cash Balance,
debt free

Straker at a glance

- Leading AI-driven language and content services provider with **thousands of active customers worldwide**
- A **best-in-class technology platform** combining generative AI with human-in-the-loop verification to deliver trusted, high-quality content at scale
- Expanding suite of enterprise-grade AI products leveraging our platform to underpin future growth and recurring revenue
- Around **150 staff across 13 countries**, supporting customers in multiple regions and time zones
- Revenue diversified across Europe, North America and Asia Pacific
- Strong, **debt-free balance sheet** supporting continued investment in AI innovation and product development
- Approximately **95%** of revenue is 'repeating', with a growing share of contracted **recurring revenue**

Chair and Chief Executive's Review



| **Linda Jenkinson**
Chair



| **Grant Straker**
Chief Executive Officer



Our industry is undergoing a fundamental transformation, driven by the power of artificial intelligence. While others may see uncertainty, we see a clear path to leadership. We are proactively navigating this shift by guiding our customers into the future, supporting transition to our next-generation suite of AI products, spearheaded by our flagship 'Verify' platform.



Dear shareholders,

The Board of Straker is pleased to report on the Company's results for the six months ended 30 September 2025.

Performance for the half was consistent with the trajectory and full-year guidance communicated at the FY25 AGM.

Financial Highlights

The first half of FY26 reflects a period of disciplined execution through challenging market conditions. Revenue of \$19.3 million was down 15% on the prior corresponding period, in line with full-year guidance. Despite lower revenue, gross margins remained strong at 66%, and the Group maintained profitability with adjusted EBITDA of \$0.5 million.

Operating cash flow for the half reflected temporary timing impacts from customer receipts and the refund of customer deposits, resulting in a reported outflow of \$2.5 million. After adjusting for these factors, underlying cash generation was broadly neutral - demonstrating the resilience of the business model and continued focus on cost control and working capital efficiency.

While the Group reported a statutory net loss after tax of \$1.275 million—significantly improved on the prior comparable period—our operating profile continues to benefit from a leaner cost base and disciplined opex management.

Chair and Chief Executive's Review

Continued

What Drove the Result

As outlined in our market release, the revenue decline versus pcp primarily reflected softer language-services demand from a number of customers - particularly Government, efficiency gains shared in Managed Services, and attrition within the traditional Enterprise (TMS) product business. By geography, North America saw softer language-services demand due largely to attrition in TMS accounts, though underlying activity across the region remained stable; Europe underperformed on lower Government volumes but is positioned for recovery with recent wins; and APAC was modestly lower year-on-year.

Ongoing opex discipline supported profitability. Headcount reduced ~11% versus pcp and ~5% since FY25 year-end, largely in Production, complemented by geographic realignment toward more cost-effective Asia-Pacific operations. This leaner cost base positions the Company to benefit disproportionately as top-line growth resumes.

Operating cash flow was -\$2.5 million, reflecting lower revenue and the timing of collections; we continued to invest in R&D to advance our AI roadmap, which also contributed to negative free cash flow in the half.

Strategic Progress in AI

We remain focused on transitioning customers from legacy workflows to next-generation AI products and pricing models. While uptake of the standalone Verify product has been slower than anticipated, we have integrated Verify and other AI capabilities directly into core production workflows, lifting productivity and improving customer experience. These initiatives lay the groundwork for broader monetisation as client use cases mature.

We also continued to progress Swiftbridge toward commercialisation, supported by encouraging pilot activity and growing customer interest in its standalone capabilities. While we do not expect Swiftbridge to contribute materially in FY26, it remains a strategic extension of our AI roadmap and an important lever for future growth.

As pilot programs convert to commercial use and adoption scales, we expect its contribution to build over subsequent periods. Together with the integration of Verify and other AI capabilities into core production workflows, Swiftbridge further strengthens the foundation for scalable monetisation as customer use cases mature.

A major milestone - executed shortly after period end - was the renewal and expansion of our strategic partnership with IBM. The agreement (approx. NZ\$28m over the initial term) broadens scope beyond localisation to include co-development and commercialisation of Small Language Models (SLMs) on our Tiri platform and expands AI token-based billing. This is a strong validation of our AI strategy and deepens our role within IBM's watsonx ecosystem.

The combination of: (i) scaling Verify across enterprise and automation ecosystems; (ii) advancing SLM commercialisation through partnerships such as IBM; and (iii) driving operational excellence through AI adoption and automation, positions Straker to capture attractive, sustainable AI-driven growth. As top-line strength returns, we expect the benefits of our structurally improved gross margin and lower operating cost base to drive stronger profit outcomes.

Outlook

We reaffirm full-year FY26 guidance: revenue of \$38-\$41 million and positive Adjusted EBITDA.

On behalf of the Board and management, thank you for your continued support as we execute our AI-led strategy.



Linda Jenkinson
Chair



Grant Straker
Chief Executive Officer

Straker and IBM: A Strategic AI Partnership for Global Enterprise

Straker's relationship with IBM has evolved significantly beyond a traditional vendor-supplier dynamic into a robust, multi-faceted technology partnership. This collaboration is focused on co-developing advanced AI solutions, integrating our respective technologies, and creating new channels to market. We have expanded from being IBM's trusted globalisation partner to also be a key IBM Build Partner, actively collaborating with the IBM Japan ecosystem team to pioneer new AI-powered solutions for the global market.

Our Core Capability: Specialised AI for the Enterprise

The current AI revolution is moving beyond large, general-purpose models. The greatest value for enterprises lies in creating specialised, secure, and efficient AI trained on proprietary data. This is Straker's core expertise.

Our **Tiri platform** is specifically designed to build and fine-tune **Small Language Models (SLMs)**. Unlike generic models, our Tiri-powered SLMs are trained for specific, high-value tasks—such as intellectual property (IP) translation or industry-specific regulatory content. This approach delivers:

- **Verifiable Accuracy:** Models are fine-tuned on customer-specific data, providing precision that general AI cannot match.

- **Enhanced Security & Efficiency:** SLMs are smaller, faster, and more cost-effective to run, and they can be securely deployed within an enterprise's environment, like the IBM cloud.
- **Domain Expertise:** We create models that understand specific industry jargon, from legal and financial to highly technical IP.

This capability directly aligns with IBM's strategy to help its clients build and deploy governed, enterprise-grade AI. We provide the specialised model-building expertise that enterprises need to unlock the true power of their data.

Partnership in Action: Integrating Tiri and watsonx

Our deep integration with IBM's technology stack demonstrates the power of this partnership.

1. Custom Models for IBM's Globalisation

We are actively embedding **IBM watsonx**-powered solutions to support IBM's own global operations. Leveraging our Tiri platform, we are training and testing custom models as part of the **Verify platform** rollout across IBM's globalisation touchpoints. Early results from these Tiri models, trained using IBM's datasets, show "very good performance" against industry benchmarks, proving the value of our specialised approach.

2. New Channels to Market: The watsonx Ecosystem

Our partnership is creating significant new, scalable revenue opportunities.

- **watsonx Orchestrate:** Following successful engagement with the watsonx Orchestrate partnership team, we have a proposed plan to create a "translation agent" for their official catalog, with a target live date in Q4 2025.
- **Intellectual Property (IP) Model:** We are building a highly specialised AI model for IP translation, a high-value niche that showcases our Tiri platform's unique capabilities.

The launch of the watsonx agent is a key strategic milestone. It positions Straker's technology as a scalable, purchasable solution directly within IBM's global ecosystem, creating a direct sales channel to a vast network of enterprise clients seeking to augment their AI capabilities.

Our Shared Vision: The Future of AI in Business

Straker's partnership with IBM is built on a shared vision for the future of AI in the enterprise. This collaboration combines IBM's market-leading platform (watsonx) with Straker's agile and specialised AI model-building expertise (Tiri).

By focusing on our core strengths in AI verification, specialised language models, and seamless API integration, Straker is solidifying its position as a key innovator in the IBM ecosystem. This partnership not only validates our technology but provides a clear strategic path to capitalise on the rapidly growing global demand for custom, verifiable AI solutions.

IFRS to Non-IFRS Reconciliation

To ensure that the presentation of results reflects the underlying performance of the business, the Straker Group publishes its key metrics on a non-IFRS basis as well as on an IFRS basis. For transparency purposes, Straker also publishes a full reconciliation between IFRS and non-IFRS measures. IFRS refers to NZ IFRS.

Adjusted EBITDA (a non-GAAP financial measure) is provided as Straker believes it provides useful information for readers to understand and analyse the underlying business performance. Adjusted EBITDA is calculated by adding back one-off restructure or acquisition costs to EBITDA.

Earnings before Interest, Tax, Depreciation and Amortisation (“EBITDA”)

	2025	2024	Change
<i>Six months ended 30 September</i>	\$'000	\$'000	%
Operating loss before net finance expense	(993)	(4,305)	77%
Add:			
Depreciation, amortisation, and impairment of non-financial assets	1,484	5,856	-75%
EBITDA	491	1,551	-68%
<i>EBITDA Margin</i>	2.5%	6.8%	-63%
Add:			
Acquisition & Restructure costs	40	120	-67%
Adjusted EBITDA	531	1,671	-68%
Adjusted EBITDA margin	2.8%	7.3%	-62%

Interim Consolidated Financial Statements

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Independent Auditor's Review Report



INDEPENDENT REVIEW REPORT TO THE SHAREHOLDERS OF STRAKER LIMITED

Report on the Condensed Interim Consolidated Financial Statements

Conclusion

We have reviewed the accompanying condensed interim consolidated financial statements for the six month period of Straker Limited and its controlled entities (collectively, the "Group"), which comprise the consolidated statement of financial position as at 30 September 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of movements in equity and consolidated statement of cash flows for the period ended on that date, and selected explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that these condensed interim consolidated financial statements of the Group do not present fairly, in all material respects the financial position of the Group as at 30 September 2025 and of its financial performance and its cash flows for the six month period ended on that date, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

Basis of Conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Condensed Interim Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Our firm carries out other assignments for the Group in the areas of taxation advice and taxation compliance services. The firm has no other relationship with, or interests in, the Group.

Directors' Responsibilities for the Condensed Interim Consolidated Financial Statements

The Directors of the Group are responsible for the preparation and fair presentation of the condensed interim consolidated financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as they determine is necessary to enable the preparation and fair presentation of the condensed interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Condensed Interim Consolidated Financial Statements

Our responsibility is to express a conclusion on the condensed interim consolidated financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the condensed interim consolidated financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

A review of the condensed interim consolidated financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on those the condensed interim consolidated financial statements.

The engagement partner on the review resulting in this independent auditor's review report is Mark Nicholson.

BR Auckland

BDO Auckland
Auckland
New Zealand
26 November 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 30 September 2025

	Notes	2025 \$'000	2024 \$'000
Revenue	4	19,263	22,737
Cost of sales	6	(6,465)	(7,466)
Gross profit		12,798	15,271
<i>Operating expenses</i>			
Selling and distribution		(5,984)	(7,123)
Product design and development		(3,917)	(4,052)
General and administration		(4,310)	(6,170)
Impairment losses	9	-	(2,231)
Total operating expenses	6	(14,211)	(19,576)
Other income	5	420	-
Loss before net finance expense		(993)	(4,305)
Net finance expense	7	(296)	(1,338)
Loss before income tax		(1,289)	(5,643)
Income tax credit		14	315
Loss for the year after tax attributable to shareholders		(1,275)	(5,328)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss, net of tax</i>			
Foreign currency translation differences		176	936
Total comprehensive loss for the year attributable to shareholders		(1,099)	(4,392)
Earnings per share for the year			
Basic and diluted earnings per share (cents)	8	(1.98)	(8.28)

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

Consolidated Statement of Financial Position

as at 30 September 2025

	Notes	At 30 September 2025 \$'000	At 31 March 2025 \$'000
Current assets			
Cash and cash equivalents		8,654	12,915
Trade receivables		7,691	7,371
Other assets and prepayments		3,008	2,131
Total current assets		19,353	22,417
Non-current assets			
Intangible assets	9	10,058	10,154
Plant and equipment		276	227
Right-of-use assets		156	613
Total non-current assets		10,490	10,994
Total assets		29,843	33,411
Current liabilities			
Trade and other payables		4,036	4,483
Contract liabilities		1,601	3,434
Employee benefits liabilities		647	606
Lease liabilities		355	520
Total current liabilities		6,639	9,043
Non-current liabilities			
Lease liabilities		83	207
Total non-current liabilities		83	207
Total liabilities		6,722	9,250
Net assets		23,121	24,161
Equity			
Share capital		66,774	66,774
Foreign currency translation reserve		(620)	(796)
Share option reserve		1,563	1,504
Accumulated losses		(44,596)	(43,321)
Total equity		23,121	24,161

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

Consolidated Statement of Changes of Equity

for the half-year ended 30 September 2025

	Notes	Share Capital	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total Equity
		\$'000	\$'000	\$'000	\$'000	\$'000
<i>Six months ended 30 September 2025</i>						
Balance 1 April 2025		66,774	(43,321)	1,504	(796)	24,161
Loss for the six months		-	(1,275)	-	-	(1,275)
Other comprehensive loss		-	-	-	176	176
Total comprehensive loss for the half-year		-	(1,275)	-	176	(1,099)
<i>Transactions with owners in their capacity as owners</i>						
Share option expense	6	-	-	59	-	59
Balance 30 September 2025		66,774	(44,596)	1,563	(620)	23,121

		\$'000	\$'000	\$'000	\$'000	\$'000
<i>Six months ended 30 September 2024</i>						
Balance 1 April 2024		66,774	(33,163)	1,337	(1,140)	33,808
Loss for the six months		-	(5,328)	-	-	(5,328)
Other comprehensive loss		-	-	-	936	936
Total comprehensive loss for the half-year		-	(5,328)	-	936	(4,392)
<i>Transactions with owners in their capacity as owners</i>						
Share option expense	6	-	-	90	-	90
Balance 30 September 2024		66,774	(38,491)	1,427	(204)	29,506

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

Consolidated Statement of Cash Flows

for the half-year ended 30 September 2025

<i>Six months ended 30 September</i>	Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers		16,805	23,968
Government grants and tax incentives		268	186
Interest received		71	145
Payments to suppliers and employees		(19,649)	(22,627)
Net cash (used) / from in operating activities	10	(2,505)	1,672
Cash flow from investing activities			
Payments for capitalised software development		(1,127)	(892)
Payments for plant & equipment		(111)	(54)
Net cash used in investing activities		(1,238)	(946)
Cash flow from financing activities			
Lease liability payments		(364)	(317)
Net cash used in financing activities		(364)	(317)
Net (decrease) / increase in cash and cash equivalents		(4,107)	409
Effect of exchange rate on foreign currency balances		(154)	(627)
Cash and cash equivalents at beginning of the period		12,915	12,165
Cash and cash equivalents at end of the period		8,654	11,947

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

Notes to and forming part of the Condensed Interim Financial Report for the half-year ended 30 September 2025

1. Reporting entity

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

2. Basis of preparation

These condensed interim consolidated financial statements of the Company and its subsidiaries (together the “Group”) for the half-year ended 30 September 2025 have been prepared in accordance with the requirements of NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the audited 2025 Annual Report. For the purposes of complying with generally accepted accounting practice in New Zealand, the Group is a for-profit entity.

The condensed interim consolidated financial statements are presented in New Zealand dollars, rounded to the nearest thousand.

The unaudited condensed interim consolidated financial statements for the Group for the six months ended 30 September 2025 were authorised for issue on 26 November 2025 by the Board of Directors.

There is no effect of seasonality or cyclicity of interim operations.

a. Accounting policies

The preparation of condensed interim consolidated financial statements in compliance with NZ IAS 34 and IAS 34 requires the use of certain critical accounting estimates.

Straker Limited has applied the same accounting policies and methods of computation in its condensed interim consolidated financial statements as in its 2025 annual financial statements.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except as noted in the accounting policies to the 2025 Annual Report.

b. New standards, interpretations and amendments effective from 1 April 2025

There are a number of standards, amendments to standards, and interpretations which have been issued that are effective for the six months ended 30 September 2025. These amendments have no effect on the measurement or presentation of any items in the consolidated financial statements of the Group but affect the disclosures of the Group.

The Group has not adopted, and currently does not anticipate adopting, any standards prior to their effective dates including IFRS 18 Presentation and Disclosure in Financial Statements that is effective 1 January 2027. The standard has been released, but not effective yet. Adopting IFRS 18 would require a relook at the presentation of the statement of profit or loss, which will include categorising income and expenses and would have an impact on the subtotals used. The extent of the impact is still being assessed by management, which includes the performance measures as to be defined by management.

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.

Notes to and forming part of the Condensed Interim Financial Report

for the half-year ended 30 September 2025

3. Segment reporting

The Group provides translation services to its clients.

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).

Operating 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 condensed interim consolidated financial statements.

Inter-segment sales are minimal.

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 this half-year report. Also, the Group's financing costs (including finance costs and finance income) and income taxes are managed on a Group basis and are not provided to the chief operating decision makers at the operating segment level.

	APAC	EMEA	NAM	TOTAL
<i>Six months ended 30 September 2025</i>	\$'000	\$'000	\$'000	\$'000
Income				
Language services	6,892	2,852	3,102	12,846
Subscriptions	593	70	2,026	2,689
Managed services	3,728	-	-	3,728
Other income	378	-	42	420
Total income	11,591	2,922	5,170	19,683
Expenses	(11,643)	(4,409)	(4,624)	(20,676)
Segment contribution	(52)	(1,487)	546	(993)
<i>Six months ended 30 September 2024</i>	\$'000	\$'000	\$'000	\$'000
Income				
Language services	8,010	3,900	3,982	15,892
Subscriptions	451	368	1,948	2,767
Managed services	4,078	-	-	4,078
Other income	-	-	-	-
Total income	12,539	4,268	5,930	22,737
Expenses	(15,009)	(5,705)	(6,328)	(27,042)
Segment contribution	(2,470)	(1,437)	(398)	(4,305)

Notes to and forming part of the Condensed Interim Financial Report

for the half-year ended 30 September 2025

Reconciliation from segment contribution to net profit/(loss) before income tax

	2025	2024
<i>Six months ended 30 September</i>	\$'000	\$'000
Segment contribution	(993)	(4,305)
Net finance income/(expense)	(296)	(1,338)
Net loss before income tax	(1,289)	(5,643)

4. Revenue

Types of goods and services	2025	2024
<i>Six months ended 30 September</i>	\$'000	\$'000
Language services	12,846	15,892
Subscriptions	2,689	2,767
Managed services	3,728	4,078
Revenue from contracts with customers	19,263	22,737

Language services revenue comprises translation and localisation services recognised over time.

Subscription revenue arises from contracts for software platform access, support services, and, for our AI product, token-based usage. Revenue is recognised on an over time basis over the contract period, or, in the case of tokens, based on actual usage at a point in time.

Managed services revenue comprises fees charged for translation request management and infrastructure services recognised over time.

Revenue disaggregation by segment is disclosed in Note 3.

5. Other Income

	2025	2024
<i>Six months ended 30 September</i>	\$'000	\$'000
Research & development tax credit	378	-
Miscellaneous income/(expense)	42	-
Total other income	420	-

Notes to and forming part of the Condensed Interim Financial Report

for the half-year ended 30 September 2025

6. Expenses

<i>Six months ended 30 September</i>	Notes	2025	2024
		\$'000	\$'000
Cost of sales and operating expenses			
Advertising and marketing		275	510
Employee entitlements		8,558	9,406
Capitalised software development	9	(1,127)	(892)
Recruitment and other personnel costs		401	415
Superannuation contributions		144	208
Share option expense		59	90
Consultants and contractors		7,907	8,857
Bad debts written off		7	57
Expected credit loss reversal		(13)	(433)
Communication, insurance and office administration		292	263
Computer equipment and software		952	811
Platform costs		893	830
Short term and low value leases		40	32
Travel-related costs		340	479
Other operating expenses		424	433
Acquisition and restructure costs		40	120
Total cost of sales and operating expenses excl. depreciation, amortisation and impairment losses		19,192	21,186
Depreciation, amortisation, and impairment of non-financial assets			
Amortisation of customer relationship		-	692
Amortisation of software development		1,202	1,075
Amortisation of acquired software	9	-	1,542
Amortisation of right of use assets		219	258
Depreciation of plant and equipment		63	58
Impairment losses		-	2,231
Total depreciation, amortisation, and impairment of non-financial assets		1,484	5,856
Total cost of sales and operating expenses		20,676	27,042

Notes to and forming part of the Condensed Interim Financial Report

for the half-year ended 30 September 2025

7. Net finance income and expenses

<i>Six months ended 30 September</i>	Notes	2025 \$'000	2024 \$'000
Finance income			
Interest received on financial assets at amortised cost		71	145
Total finance income		71	145
Finance expense			
Interest expense on leases		(14)	(25)
Foreign exchange loss		(353)	(1,458)
Total finance expense		(367)	(1,483)
Net finance expense		(296)	(1,338)

During the period, the Group reported a foreign exchange loss of \$0.353m (2024: \$1.458m loss) of which \$0.129m profit (2024: \$1.317m loss) is unrealised and predominately arising on the remeasurement of inter-company loans.

8. 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.

<i>Six months ended 30 September</i>	2025 \$'000	2024 \$'000
Numerator		
Loss for the year after tax ("N")	(1,275)	(5,328)
Denominator		
Weighted average number of ordinary shares used in EPS ("D1")	64,339	64,339
	Cents	Cents
Basic and diluted earnings per share (N/D1 x 100)	(1.98)	(8.28)

Notes to and forming part of the Condensed Interim Financial Report

for the half-year ended 30 September 2025

9. Intangible assets

	Notes	Software development \$'000	Goodwill \$'000	Total \$'000
<i>Six months ended 30 September 2025</i>				
Opening net book value		3,444	6,710	10,154
Additions in the year		1,127	-	1,127
Amortisation expense	6	(1,202)	-	(1,202)
Foreign exchange adjustment		(21)	-	(21)
Closing net book value		3,348	6,710	10,058
<i>At 30 September 2025</i>				
Cost		16,028	16,041	32,069
Accumulated amortisation and impairment		(12,680)	(9,331)	(22,011)
Closing net book value		3,348	6,710	10,058
<i>At 31 March 2025</i>				
Cost		14,953	16,041	30,994
Accumulated amortisation and impairment		(11,509)	(9,331)	(20,840)
Closing net book value		3,444	6,710	10,154

Notes to and forming part of the Condensed Interim Financial Report

for the half-year ended 30 September 2025

Cash generating units (CGU)

The allocation of goodwill to the CGUs at 30 September 2025 is as follows:

		Europe ¹	NAM ³	NZ ⁴	Total
	Notes	\$'000	\$'000	\$'000	\$'000
<i>Six months ended 30 September 2025</i>					
Opening net book value		3,991	-	2,719	6,710
Closing net book value		3,991	-	2,719	6,710
Segment	3	EMEA	NAM	NZ	

		Europe ¹	IDEST ²	NAM ³	NZ ⁴	Total
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Six months ended 30 September 2024</i>						
Opening net book value		2,971	1,748	5,127	2,719	12,565
Impairment	6	-	(1,748)	-	-	(1,748)
Closing net book value		2,971	-	5,127	2,719	10,817
Segment	3	EMEA	EMEA	NAM	NZ	

		Europe ¹	IDEST ²	NAM ³	NZ ⁴	Total
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Year ended 31 March 2025</i>						
Opening net book value		3,991	1,748	4,107	2,719	12,565
Impairment	6	-	(1,748)	(4,587)	-	(6,335)
Foreign exchange adjustment				480		480
Closing net book value		3,991	-	-	2,719	6,710
Segment	3	EMEA	EMEA	NAM	NZ	

¹ Europe – made up of subsidiaries located in Europe

² IDEST – made up of IDEST, a Belgium subsidiary merged into EUR CGU following a business reorganisation

³ NAM – made up of North American subsidiaries and Straker Japan

⁴ NZ – made up of the NZ entity

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

	2025	2024
<i>Six months ended 30 September</i>	\$'000	\$'000
Net loss after tax for the year	(1,275)	(5,328)
Adjusted for:		
Non-cash items		
Amortisation of capitalised software development	1,202	1,075
Amortisation of acquired software	-	1,542
Amortisation of customer relationships intangibles	-	692
Amortisation of right of use assets	219	258
Depreciation of plant and equipment	63	58
Impairment loss on trade receivables	(6)	(375)
Impairment of plant and equipment	1	-
Impairment loss on intangibles	-	2,231
Share options expense	59	90
Gain on derecognition/modification of leases	(42)	-
Taxation	-	(320)
Foreign currency loss	134	1,458
Non-operating activity items		
Interest on lease liabilities	14	25
Impact of changes in working capital items		
Movement in debtors, prepayments and other debtors	(651)	1,701
Movement in contract liabilities	(1, 765)	(362)
Movement in creditors, accruals and other payables	(458)	(1,073)
Net cash flow (used in) / from operating activities	(2,505)	1,672

11. Financial instruments

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments.

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

The principal financial instruments used by the Group, from which financial instrument risk arises, include cash and cash equivalents, trade receivables, trade payables, accruals and translator costs accruals. The carrying value of these financial instruments is a reasonable approximation of their fair value.

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 and these financial assets and liabilities are all held at amortised cost.

12. Events after the reporting date

On 30 October 2025, the Group announced the renewal and expansion of its strategic partnership with IBM for a further three years from 1 January 2026, with an option for IBM to extend for one additional year. The agreement is valued at approximately NZ\$28 million (US\$16.1m) over the initial term, based on anticipated transaction volumes.

This event occurred after the reporting date and does not affect the amounts recognised in these interim financial statements.

There were no other significant events between balance date and the date these financial statements were authorised for issue.

Directors' Declaration

The interim financial statements of Straker Limited and its subsidiaries ('the Group') for the six months ended 30 September 2025 were authorised for issue on 26 November 2025 in accordance with a resolution of the directors. In accordance with ASX Listing Rule 4.2A.2A, the directors declare that, as at that date, and in the directors' opinion:

1. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
2. the relevant interim financial statements and notes comply with accepted accounting standards in New Zealand.

For and on behalf of the Board.



Linda Jenkinson

Chair

26 November 2025



Grant Straker

Chief Executive Officer

26 November 2025

Directory

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Rosedale
Auckland 0632
New Zealand

Directors Linda Jenkinson (Chair)

Grant Straker (Managing
Director and Chief Executive
Officer)

Amanda Cribb

Helen Foley
(appointed 01 May 2025)

Ron Heinz
(appointed 01 September 2025)

Steven Bayliss

James Johnstone
(resigned 01 May 2025)

Stephen Donovan
(resigned 20 August 2025)

Company Secretary David Ingram

Auditor BDO Auckland

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Stock Exchange Straker's shares are listed
on the Australian Securities
Exchange (ASX code: STG)

Company website www.straker.ai



ASX : STG
STRAKER