ANNUAL REPORT FY26

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STRAKER

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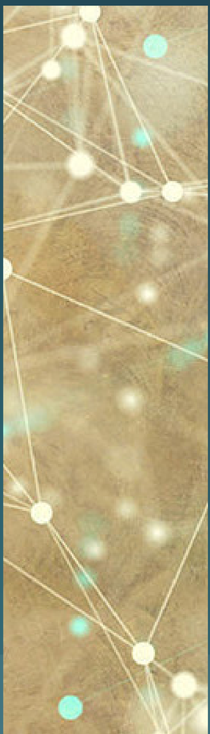

About Straker

As an AI language technology pioneer, Straker is well-positioned to be a leading player as AI continues to disrupt the language industry. As a Top 100 Language Service Provider with unique technology and a global services reach, Straker is capable of delivering an AI-enhanced human-in-the-loop platform at scale to meet the changing needs of the market.

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LETTER FROM THE CHAIR AND CO-CEOS

Linda Jenkinson
Chair

David Sowerby
Co-Chief Executive Officer

Indiver Nagpal
Co-Chief Executive Officer

Dear shareholders,

FY26 was a difficult year for Straker, and we would rather say so at the outset than work our way up to it.

In late May 2026 we identified irregular transactions in the bank accounts of our United States subsidiary, Straker Translations Inc. Upon discovery we took immediate action to secure and restrict access to affected accounts and notify United States law enforcement, and engage our banks, insurers and external advisers. As an immediate interim measure, we also initiated direct Board oversight on all payments and financial matters as an extra level of governance while preliminary investigations were taking place.

On 26 May 2026, we reported initial transactions totaling approximately US$1.5 million had been identified with a high degree of confidence as misappropriated funds in FY26 with further suspicious and as yet unidentified FY26 transactions of approximately US$1.5 million still being investigated and validated, with intentions to extend investigations through prior periods. We updated these figures on 1 June 2026 following further preliminary investigations confirming that misappropriated fund transactions totaling approximately US$3.3 million in FY26 and the first two months of FY27 and US$0.7 million in FY23 to FY25 had now been identified with a high degree of confidence. Following further investigations supported by new information becoming available and external forensic support, we announced on 13 August 2026 that the identified misappropriation had increased to approximately US$4.0 million in FY26 and the first two months of FY27 (an increase of approximately US$0.7 million from the figures previously advised) and approximately US$1.2 million in FY23 to FY25 (an increase of approximately US$0.5 million from previously advised). We are continuing to co-operate with US law enforcement authorities and assist with their investigations, however, we do not yet know to what extent any of the misappropriated amounts can be recovered.

The Board has continued to take a direct and hands on role on all financial matters during the transition following the resignation of our Chief Financial Officer, and a search for a permanent appointment is close to completion. We have completed a full reconstruction of the affected accounts and are pleased to report that an unmodified audit opinion has been issued. In parallel, the Board and Audit &

Risk Committee has overseen the Company's response to the fraud, including having oversight of the emergency containment measures implemented across the Group's banking and payment systems; taking steps to consolidate the Group's treasury and banking arrangements and implementing preliminary additional monitoring and governance processes and controls within the internal finance function. The Board and Audit & Risk Committee will continue to validate and strengthen the internal control environment and associated policies and risk management as considered appropriate going forward.

The rest of the year

Revenue for FY26 was NZ$38.8 million, with Adjusted EBITDA of NZ$0.94 million. Beyond the financial result, the cost of the investigation and the delay to reporting have both been real, and confidence in us has been affected in a way that will take more than one set of results to rebuild.

We ended the year serving more than 150 active clients, including IBM, which is both a customer of ours and a partner.

Evolving our core translation business into high-value AI trust solution

Since 2010 Straker has sold translations, priced by the word. A customer sent us content, people translated it, and we invoiced for the volume. Artificial intelligence now does much of that work at a fraction of the price, and it improves with each passing quarter. Any business whose revenue depends on charging by the word is under pressure as a result, and efficiency alone does not reverse that.

So we have spent the year rebuilding the company around what we believe comes next, which is not producing content more cheaply but being able to stand behind it.

The reasoning is simple. AI can now produce content quickly and at very low cost. What it cannot yet do on its own is guarantee that the content is accurate, consistent with how a company operates, and safe to publish. For a listed company filing its results in two languages, or a pharmaceutical business describing a product, speed is of limited value if there is a real chance of being wrong.

What we have built

arbitr is a trust layer that sits between AI and a customer's live systems. It connects to the tools they already use, checks every change, whether a person or a machine made it, against rules set by the client, and then either flags it for review or publishes it. Over time, approval becomes the exception rather than the bottleneck.

Three things sit underneath it, and they are the parts we think are hardest to copy:

- **Our own models.** Most of the market rents AI models from the large providers. We build small ones, a few billion parameters against the hundreds of billions in the frontier models, trained on a customer's own data. On an independent test of English to Japanese content that no model had seen before, ours ranked first. It is smaller, cheaper to run, and better suited to the one job it was built for.
- **Agents.** These are ready-made specialists a customer can put to work in minutes, or build themselves for work only they do. Built once and sold many times, which makes them product rather than project work.
- **Context.** Every claim a customer's team verifies is kept, and the agents draw on it from then on. It becomes more accurate the more it is used, it is specific to that customer, in effect, Arbitr can be trusted because the client controls approval and the model learns from each interaction. A competitor can rent a model this afternoon, but it cannot rent a customer's organisational context.

We also charge for it differently. There is a monthly subscription, with credits drawn down as usage grows. Customers buy outcomes rather than tokens, so if the cost of AI keeps falling, that should widen our margin rather than force our price down.

Early signs

These are early days, and we would ask you to read what follows as encouraging rather than as proof. In Japan, ASKA Pharmaceutical met the exchange's new English disclosure requirement at the first attempt, with full reports delivered in three days rather than ten. With IBM we became a Gold Partner, built our models on their infrastructure, and had the AI Dubbing Agent approved for the watsonx Orchestrate catalogue, a listing that means we are now able to leverage the IBM partner ecosystem as a distribution channel.

The year ahead

We have three priorities: moving existing customers onto arbitr, getting agents into production, and leveraging the IBM Channel partnership.

With everything that has happened in FY26 we want to reset our relationship with shareholders and provide a higher degree of visibility and accountability. We shall openly report on five key metrics: customers live on arbitr, the mix between AI-delivered and human-delivered revenue, agents per customer, credit utilisation, and weekly-to-monthly active usage.

In order to move our clients from the current platform onto arbitr we will be enticing them with a more competitively priced offer. Why? Technology does the heavy lifting which increases gross margin. In the near term you will likely see a decrease in revenue (which historically has been transactional) to ARR and high gross margin revenue. We believe we can spread deeper within our clients with our new products and get a larger share of their wallet.

FY26 has asked a good deal of your patience. We are grateful for it, and we do not take it for granted.

Linda Jenkinson
Chair

David Sowerby
Co-Chief Executive Officer

Indiver Nagpal
Co-Chief Executive Officer.

FY26 LOCATED THE VALUE
FY27 CAPTURES IT

FY26 did three things for Straker. It settled where value is moving in this industry. It held the customer base steady while that view was forming. And it put in place the platform, the models and the team required to act on it.

Clarity, stability, foundation. The order matters, because each one buys the right to the next, and FY27 is the year they are meant to compound.

1. Clarity: where the value is going

The most useful thing FY26 produced was a settled, evidence-based view of where value is migrating in multilingual content, and an honest reading of the fact that it is not migrating toward where this company historically earned its living.

Translation services as a category continue to grow, at 5.4% CAGR through 2029 (Mordor Intelligence). That headline is misleading on its own. The more relevant figure is 13.5% CAGR through 2030 for machine-assisted workflows (Grand View Research / Slator), against a US$44B addressable surface in Slator's tech-led 2030 scenario. And underneath the category average the dispersion is becoming acute: in 2026, 22.9% of indexed language-services firms posted a revenue decline (Slator 2026 Index).

A growing category in which nearly a quarter of participants are shrinking is not a growing category. It is a transfer. Value is moving out of human services, into AI-enabled workflows, and from there into models, agents and audit. The firms in decline are the ones positioned in the layer being vacated.

The obvious challenge is why the frontier model providers do not simply absorb this work. There are three answers, and they reinforce each other.

The first is compute economics. Compute is globally constrained, and frontier providers allocate inference to whatever earns the highest revenue per token. Per-word translation is the opposite of that trade: high token volume, low value per token, a small share of total enterprise AI spend. As compute tightens, the case for pulling this work into a general-purpose model weakens rather than strengthens.

The second is that scale is not what wins this task. A customer-tuned model of a few billion parameters outperforms frontier models hundreds of times its size on the narrow job it was trained to do. Our own models are beating Google and DeepL by more than 20% across a number of bespoke language domains. Bigger is not better here. Trained on the right material is better, and that material belongs to the customer rather than to the model provider.

The third, and the one enterprises actually buy, is governance. No regulated business publishes machine-generated content into a filing, a product label or a contract without a person accountable for it. The value sits in the layer that checks every change against rules the customer has approved, routes anything requiring judgement to a human, records who approved what, and only then publishes. That layer is assembled from the customer's own terminology, prior decisions and risk sign-offs, accumulated over time. It is not a model feature, and it cannot be shipped by a provider who has never been inside the workflow.

Where the value sits, in three layers. Translation is the **wedge**: we are already inside multilingual enterprise content, with the throughput, the languages and the integrations. Governance is the **trust layer**: auditability, role-based control and lineage are what separate an AI vendor from an enterprise-ready platform. Intelligence is the **expansion**: specialist agents, customer memory, model-tuned output and compliance signal, which is where the premium revenue sits.

Customers move upward through those layers, and only after the product has earned the right. That sequence is the strategy, and it is the reason a model and agent platform, rather than a better translation service, is the thing **worth building.**

2. Stability: the base held

Reaching that conclusion is only useful if the business is still standing when you act on it. It is.

01 · REVENUE	02 · ADJUSTED EBITDA	03 · CLOSING CASH	04 · GROSS MARGIN
NZD $38.8M	NZD $0.94M	NZD $3.5M	64.0%

The item that matters most is the one hardest to put in a table. The customer base held, and the cornerstone of the year was the renewal of our IBM contract for a further three years. IBM does not renew out of inertia. A contract of that scale is re-tested against every credible alternative, including IBM doing the work itself with its own AI, which makes the renewal a technical verdict as much as a commercial one, and it secures the partner work we are building on top of it. Beyond IBM, retention across the core book stayed intact, in a year when the industry's own index recorded 22.9% of firms in revenue decline. That base is the asset the whole FY27 plan is built on, because every element of it, the platform consolidation, the customer-tuned models, the agents, is sold into customers we already have before it is sold to anyone new.

3. Foundation: a model and agent platform

The third thing FY26 did was build the means to act on the first two.

A model research team. Straker now has a model research capability that did not exist a year ago. The model factory platform they have built trains customer-tuned Vertical Small Language Models rapidly, and those models are outperforming much larger model providers by more than 20% across a number of bespoke language domains. Eighteen customer model opportunities sit in the pipeline across multiple domains.

One platform. Four separate customer platforms, Enterprise, Language Cloud, SwiftBridge and Verify, are being consolidated into a single platform, arbitr, completing in Q3 FY27. Each was defensible individually and collectively they were a structural cost: four roadmaps, four integration surfaces, four places to ship the same improvement, and a gross margin carrying all of it. One platform compresses time-to-market for every new solution and gives anything built anywhere in the company immediate distribution across the entire customer base.

A different commercial model. Revenue moves from per-word billing to usage-based intelligence credits. This is the quiet change with the largest consequence. Under per-word pricing, falling AI costs compete our price down. Under credits, customers buy capacity rather than tokens, and falling inference cost widens margin instead. It is what allows us to be long AI progress rather than short it.

Together those three are the foundation, and they are why FY27 is a capture year rather than another preparation year.

4. FY27: unify, model, monetise

Three priorities, one pipeline, one scorecard.

Unify. Complete the consolidation into arbitr by Q3 FY27, removing the fragmentation cost sitting on gross margin and turning four separate customer books into one surface we can sell across.

Model. Move customer-tuned small language models and specialist agents into production accounts. Agents prepare; humans approve what ships.

Monetise. Convert platform access into intelligence and agent usage inside the existing base before pursuing new logos.

5. How to judge FY27

The question for FY27 is conversion. Whether a clear view of where value is moving, a stable customer base and a model and agent platform turn into yield per account, intelligence revenue mix and cash-generating growth. We have committed to being measured on it quarterly, on a published scorecard.

Five metrics, tracked every quarter:

- Customers on Arbitr. The number of customers who are subscribed and active on the platform
- Credit utilisation. The share of purchased credits actually consumed. This is the alignment signal. Low utilisation means customers are not finding enough use cases, and no amount of contracted value fixes that.
- WAU / MAU. Stickiness of the product surface. [40%+ / confirm target] indicates penetration into core workflow rather than occasional use.
- Agent utility. Agents per company, month over month. The move from single digits into multiples is the breadth signal.
- AI:Human revenue ratio. The ratio of revenue consumed at the model and agent layer (Intelligence Credits) vs Human delivered (Trust Credits).

And three things to watch above the headline number: the mix shift to intelligence usage, where yield per account and gross-margin mix are the read rather than revenue; distribution through one platform, where speed-to-distribute compounds once consolidation completes; and agent and SLM usage inside production enterprise workflows, measured rather than promised.

FY26 told us where the value is going and left us standing in a position to reach it. FY27 is where that shows up in the mix.

Sources: Slator (Content Transformation; 2025 Market Report; 2026 Index); Mordor Intelligence; Grand View Research. Internal estimates: AI dubbing cost-curve indicator and US$1.5 million pipeline; TSE turnaround (10 days to under 3 days; aim 1 day). Quarterly markers are directional, not targets; baselines are set in the Q1 FY27 update. IBM-related wording subject to approval before any external use.

MARKETING:
A NEW ENGINE FOR A NEW ERA

FY26 marks the beginning of a deliberate transformation in how Straker presents itself to the world. With new leadership in place and a clear strategic direction, the marketing function has been established with a mandate to reposition the brand and build an operating model designed for the AI era.

Two strategic programmes are being built:

1. Brand Repositioning: Entering a New Category

Straker is repositioning from a translation services company into a new category: AI infrastructure for enterprise multilingual operations.

This shift is strategic, not cosmetic. Translation is a commodity market characterised by price competition and low differentiation. Enterprise AI infrastructure is not. The repositioning is designed to move Straker's buyer conversation from procurement-led decisions — where price is the primary variable — to platform-level decisions, where capability, reliability, and long-term scalability determine the outcome.

The new positioning targets a different buyer. Rather than localization managers focused on project costs, Straker is targeting Chief Information Officers, Heads of Operations, and VP-level technology decision-makers who are investing in AI systems that orchestrate content at scale, apply expert review where it matters, enforce compliance guardrails, and improve continuously over time. These buyers make infrastructure decisions — and infrastructure decisions carry premium valuations.

To support this repositioning, a new messaging framework and brand voice are being developed and implemented across all external touchpoints: the website, sales materials, product communications, partner channels, media and PR, event presence, and digital campaigns. The goal is a consistent, confident narrative — one that tells the same story regardless of whether the audience is an enterprise buyer, a technology partner, or a prospective customer.

The website is the first and most visible execution of this repositioning. The straker.ai homepage is being restructured around the new category narrative, with a clear architecture that moves visitors from understanding what Straker is, to how the platform works, to why it is credible at scale. In parallel, new products are being launched on dedicated product platforms — keeping enterprise product marketing focused and conversion-optimised while maintaining Straker's brand authority as the platform behind each product.

This repositioning is expected to accelerate commercial growth by unlocking a higher-value buyer segment, strengthen Straker's competitive positioning in the enterprise AI market, and build a brand that reflects the ambition and capability of the company Straker is becoming.

2. Agent-First Marketing: Building the Operating Model of the Future

Straker's marketing function is being rebuilt as an agent-first operation — designed to deliver enterprise-grade output from a lean team, using the same AI-native principles that power Straker's products.

The vision is a marketing orchestration layer: a master agent coordinating a network of specialist subagents, each responsible for a specific function across the marketing operation. Signal agents monitor brand mentions, competitor activity, and market developments continuously. Content agents generate first-draft copy, social posts, and campaign assets aligned to the brand voice and current messaging framework. Performance agents analyse channel and campaign data in real time, surfacing what is working and what requires adjustment. Conversion agents test and recommend calls to action matched to each audience segment and moment in the buyer journey.

The result is a marketing function that operates at speed and scale without proportional headcount growth — and one that demonstrates internally what Straker is building for its customers.

This operating model is currently in development. The infrastructure is being scoped and built in collaboration with the technology team, with deployment targeted for the second half of CY2026. In the near term, AI tools are being used across the team for research, content production, and reporting — reducing manual overhead and freeing strategic capacity for brand, positioning, and stakeholder communication work.

Straker's ambition is to be one of the most capital-efficient marketing operations in the technology sector — not just selling AI transformation, but demonstrating it.

The initiatives described here represent the strategic direction being implemented. Specific performance metrics and outcomes will be reported from FY27. Statements reflect current plans and intentions and are subject to change based on market conditions and operational developments.

MANAGEMENT COMMENTARY

Straker is listed on the Australian Securities Exchange (ASX) and is a New Zealand incorporated and domiciled company. This means that while the ASX Listing Rules apply to Straker, certain provisions of the Australian Corporations Act 2001 (Cth) do not.

As a New Zealand company, Straker's annual report is primarily governed by the Companies Act 1993 (New Zealand). The Remuneration Report is not intended to fully replicate the statutory disclosure requirements of an Australian company's remuneration report, as these requirements do not apply to Straker. However, the information provided goes beyond New Zealand requirements to provide greater transparency and insight into our remuneration practices.

This report covers the activities of the Straker group's global operations. Except where otherwise specified, statements should be read as pertaining to the activities of Straker Limited and its subsidiaries (Straker or Straker Group).

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 FY24 and FY25 refer to the 12 months ended 31 March in the respective years.

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.

Non-IFRS measures

To ensure that the presentation of results fully reflect the underlying performance of the business, Straker 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.

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

Operating revenues

Total revenue for the 2026 financial year was **$38.8 million**, representing a **13.9% decrease** from the prior year's restated revenue of **$45.0 million**. The year-on-year contraction was primarily driven by our deliberate strategic migration away from lower-margin legacy business within the Language Services segment, alongside localised market softness in APAC and persistent macroeconomic headwinds in the EMEA region.

Note: the FY25 comparative revenue has been restated (from $44.9 million previously reported to $45.0 million) as part of the correction of the misclassifications identified during the fraud investigation (see Note 2b of the financial statements).

Types of Services

Types of Services	2026 ($'000)	2025 ($'000) Restated	Change (%)
Language services	27,641	30,495	-9.4%
Subscriptions	4,797	5,622	-14.7%
Managed services	6,328	8,885	-28.8%
Total	**38,766**	**45,002**	**-13.9%**

Our **Language Services** segment delivered **$27.6 million**, down **9.4%** compared to the restated prior year figure. This core segment remains highly resilient, supported by expanded project volumes and key contract extensions across our major corporate accounts.

Revenue from the **Subscriptions** segment was **$4.8 million**, decreasing by **14.7%**. This movement reflects the impact of previously disclosed non-renewals of certain legacy corporate accounts during the period, as we continue to transition away from traditional, fixed SaaS lines toward usage-based intelligence offerings.

The **Managed Services** segment contributed **$6.3 million**. This **28.8% decrease** (unchanged from the position prior to restatement) primarily reflects a transition to optimised pricing frameworks and the passing on of efficiency gains across multi-year enterprise renewals.

Revenue by Region

Revenue by Region	2026 ($'000)	2025 ($'000) Restated	Change (%)
APAC	20,201	25,032	-19.3%
EMEA	5,742	7,885	-27.2%
NAM	12,823	12,085	+6.1%
Total	**38,766**	**45,002**	**-13.9%**

Geographic performance highlighted our shifting growth vectors:

- In North America (NAM), revenue grew 6.1% to $12.8 million.
- In the Asia-Pacific (APAC) region, revenue contracted by 19.3% to $20.2 million, primarily driven by the proactive passing on of efficiency gains and optimised pricing frameworks within our major enterprise partnerships, alongside a decline in baseline transaction volumes in local corporate markets.
- In Europe (EMEA), revenue decreased by 27.2% to $5.7 million, reflecting broader regional economic tightening and the trailing impact of previous institutional contract restructurings.

Gross Margin

Our gross margin for the year stood at **64.0%**, compared to **68.0%** in the prior year (restated), a decline of **4.0 percentage points**.

Gross Margin	2026	2025 Restated	Change
Gross margin (%)	**64.0%**	**68.0%**	**-4.0 pts**

This compression defines our core operational priorities heading into the next fiscal period. The variance was driven by a lower comparative mix of high-margin Managed Services and SaaS revenue, reflecting a structural shift toward variable project workflows during our transition phase.

To systematically address this mix shift and reinforce long-term profitability, we are accelerating the consolidation of our technology stack. Migrating our legacy architectures into a single, Unified Customer Platform which will eliminate product fragmentation, reduce engineering overhead, and establish a foundation for renewed gross margin expansion.

Statutory results

The Group reported a statutory net loss after tax of **$15.3 million** for FY26, compared to a restated net loss of **$10.3 million** in FY25 - a year-on-year increase in the loss of **48%**.

Statutory Results	2026 ($'000)	2025 ($'000) Restated	Change (%)
Revenue	38,766	45,002	-13.9%
Cost of sales	(13,934)	(14,420)	+3.4%
Gross profit	**24,832**	**30,582**	**-18.8%**
Gross margin %	64.0%	68.0%	-4.0 pts
Other income	668	346	+93.1%
Operating expenses (excl. impairment)	(28,001)	(34,761)	+19.4%
Impairment losses	(6,263)	(6,818)	+8.1%
Net operating expenses	**(33,596)**	**(41,233)**	**+17.6%**
Loss from operations	**(8,764)**	**(10,651)**	**+17.7%**
Financial loss due to fraud	(6,155)	(1,122)	+448.6%
Net finance (expense)/income	(361)	1,145	-131.5%
Loss before income tax	**(15,280)**	**(10,628)**	**+43.8%**
Income tax credit	19	341	-94.4%
Net loss after tax	**(15,261)**	**(10,287)**	**+48.4%**

To better reflect rapid AI advancements and prevent technological obsolescence, the Group revised the estimated useful life of capitalised software assets from five to three years in FY25 resulting in one-off increase to the FY25 amortisation expense. Depreciation, and amortisation charges fell to $2.94 million in FY26.

On a reported basis, total operating expenses (excluding the financial loss due to fraud and impairment) decreased by 19.4% to $28.0 million (2025 restated: $35 million).

Net finance expense was $361,000 for the year (2025: $1.1 million net finance income), driven primarily by a $432,000 non-cash foreign exchange loss on the revaluation and settlement of intercompany balances, partly offset by $101,000 of interest income.

A **financial loss due to fraud of $6.2 million** has been separately recognised in FY26 (2025 restated: $1.1 million), following investigations of fraudulent payment transactions at the Group's US subsidiary, Straker Translations Inc first discovered in May 2026. Further detail regarding the identified fraud, including the restatement of comparative prior period balances is set out in Note 2b to the consolidated financial statements.

Earnings Before Interest, Tax, Depreciation and Amortisation EBITDA

Our full-year **Adjusted EBITDA (excluding fraud expense)** concluded at a positive **$0.9 million**, down from **$5.7 million** in the restated FY25 result.

EBITDA	2026 ($'000)	2025 ($'000) Restated	Change (%)
Loss from operations	**(8,764)**	**(10,651)**	**+17.7%**
Add: Depreciation, amortisation & impairment	9,206	16,204	-43.2%
EBITDA	**441**	**5,553**	**-92.1%**
Add: Acquisition & restructure costs	500	187	+167.4%
Adjusted EBITDA	**941**	**5,740**	**-83.6%**
Adjusted EBITDA Margin	2.4%	12.8%	-10.3 pts

On a reported basis, EBITDA was a positive $441,000. Non-recurring acquisition and restructuring costs of $500,000 were added back to reflect the underlying operating capability of the Group. The financial loss due to fraud of $6.2 million is excluded from both EBITDA and Adjusted EBITDA, consistent with its presentation as a separately disclosed item in the Statement of Profit or Loss.

Cash flow

Straker closed the financial year with a cash balance of **$3.5 million** and no debt.

Cash Flow	2026 ($'000)	2025 ($'000) Restated	Change (%)
Receipts from customers	36,792	45,004	-18.2%
Other operating cash flows	(37,081)	(40,323)	+8%
Operating cash flow	**(289)**	**4,681**	**-106.2%**
Funds taken through fraud	(6,155)	(1,122)	-448.5%
Capital investment	(2,049)	(2,446)	+16.2%
Free cash flow	**(8,493)**	**1,113**	**+863.1%**
Net financing cash flow (lease payments)	(753)	(544)	-38.4%
Net cash flow	**(9,246)**	**569**	**-1724.9%**
Cash and cash equivalents at end of period (per Statement of Cash Flows)	3,478	12,919	-73.1%

Operating cash flow recorded a net outflow of $289,000. This variation was driven by routine commercial working capital timing cycles linked to key enterprise contract delivery milestones. Trade receivables stood at $8.9 million at year-end (2025 restated: $7.4 million).

Capital investment was scaled back by 8.6% to $2.1 million, reflecting a more focused allocation of R&D resources toward core intellectual property.

BOARD OF DIRECTORS

Linda Jenkinson
Chair

Linda was appointed the Non-Executive Chair of Straker on 1 July 2024.

Linda has extensive experience as both a CEO and a board director for public and private companies. Notably, she is the third woman ever to list a company on the NASDAQ. Her board experience includes directorships at Air New Zealand and The Eclipx Group, alongside Chair positions at DMS Corp, Medadvisor, and Jaxsta.

She has established five companies across diverse sectors like technology, logistics, e-commerce, customer experience, and sustainability, with operations spanning over 80 countries and employing thousands. Her entrepreneurial success has been recognised in case studies by both Harvard and Stanford Business Schools.

Linda holds a MBA from The Wharton School, University of Pennsylvania and a Bachelor of Business Studies, Massey University. She is a qualified Chartered Accountant.

Grant Straker
Director

Grant (Ngāti Raukawa) was appointed to the board on 21 December 1999.

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'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.

Amanda Cribb
Independent Non-Executive Director

Amanda (Ngāti Tūwharetoa, Ngāpuhi, Ngāti Kuia, Ngāti Kauwhata, and Ngāti Hauiti) was appointed as a Non-Executive Director of Straker on 20 July 2020.

Amanda's executive career spans two decades as CFO in global technology companies and has been instrumental in steering companies through early-stage growth and fostering long-term sustainability.

Her governance experience spans the technology, cybersecurity, AI, professional services, Iwi-owned agribusiness and hospitality sectors. She currently serves on the board of West Auckland Trust Services, and Pōhara Developments Ltd.

Amanda holds an MBA from Henley Business School, she is a Chartered Accountant and Chartered Member of the Institute of Directors.

Steven Bayliss
Independent Non-Executive Director

Steven was appointed a Non-Executive Director of Straker on 24 August 2022.

Steven is one of New Zealand's most experienced and awarded marketing professionals. Steven's career started with international brewer Lion Nathan which culminated in an Australian based role developing and teaching marketing best practice across New Zealand, Australia, and China.

After a period based in the USA in the FMCG sector, Steven returned to New Zealand to take up the role of GM Marketing and Innovation at Air New Zealand in 2004.

Steven then moved to Foodstuffs New Zealand in 2011, setting up a central function serving the two cooperatives across marketing, public relations, customer experience, CRM, Advanced Data and Analytics, and Acquiring functions. Steven also served as Chief Creative Officer at Sky Television, helping reinvent the business, moving from a linear broadcaster to a data-rich, modern digital business.

Steven is a published business author, professional director, and consultant.

He holds a Bachelor of Commerce from Otago University.

Ron Heinz
Non-Executive Director

Mr Heinz brings decades of experience in the technology sector. He began his career at Xerox in 1981 before joining Novell, where he rose to the position of Senior VP during his 12-year tenure. Starting in 2000, he served as CEO of Phobos, an internet security infrastructure company, until it was acquired in 2003 for US$268 million. He then became CEO of data broadcasting solutions provider Helius, until it was acquired by Hughes Network Systems in 2006. Following his executive career, Mr Heinz founded two private equity venture capital firms based in Utah: Signal Peak Ventures and Oquirrh Ventures, both specialising in making equity investments in technology businesses ranging from the provision of early-stage capital to funding for growth into global markets. He remains a General Partner of both firms and has extensive ties to global industry partners with special emphasis in Artificial Intelligence, cyber security and networking infrastructure.

Helen Foley
Non-Executive Director

Helen was appointed a Non-Executive Director of Straker on 1 May 2025 and resigned 4 June 2026.

Helen has over 30 years of experience in finance, corporate development and governance holding senior roles at Bailador, Inchcape Motors Australia, Tubemakers of Australia and BRW Fast 100 winner and technology company, LX Group. In addition, Helen has consulted on best practice finance systems across a range of companies and public sector organisations.

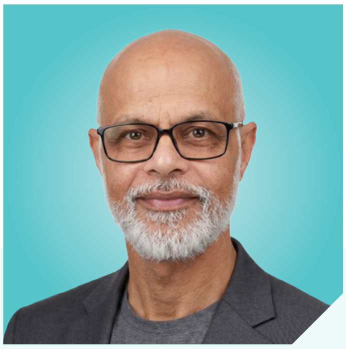
Helen is the Chief Financial Officer of Bailador and Board Observer and ARC member for Bailador investee company DASH.

Helen holds a Bachelor of Commerce in Accounting and a Masters in Politics and Public Policy. She is a Fellow of CPA Australia (FCPA), a Graduate of the Australian Institute of Company Directors (GAICD) and a Justice of the Peace in NSW.

MANAGEMENT TEAM

David Sowerby
Co-Chief Executive Officer.

David has over 20 years of experience in the tech industry. David has been instrumental in the Company's global expansion, based in Europe and works closely with Straker's customers and partners across its most important markets. Previously the founder of Sportsys Pty Ltd, David has multi decade experience in working across global markets. He holds a Bachelor of Science (UQ), and an MBA from Trinity College Dublin.



Indiver Nagpal
Co-Chief Executive 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 CIO of Straker, Indy is responsible for setting the technical direction of the company across its multilingual translation product sets.

David Ingram
Chief Financial Officer

David serves as both Chief Financial Officer and Company Secretary. In these roles, he is responsible for Straker's financial management, corporate finance, treasury, audit, and investor relations functions, as well as overseeing compliance with corporate governance policies, disclosure obligations, and Board procedures. David brings more than 25 years of experience in financial leadership and corporate strategy, having previously held CFO roles at Ultra Commerce, Gentrack, and Zeacom.

David resigned from Straker with his last day of active service on 10 July 2026.

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.

Kim Andrews
Chief People Officer

Tamas joined the Straker in 2016 following Straker's acquisition of Eurotext. He has extensive experience in the field of localisation production having worked as a project manager for more than 10 years, before taking over the management of the European and then later the Global Production teams in Straker. He studied English Linguistics and Literature and also holds a Bachelors Degree in International Business.

Tamas Szoke
Chief Production Officer

STRAKER LIMITED CONSOLIDATED FINANCIAL STATEMENTS

Financial Report
For the year ended 31 March 2026

STRAKER LIMITED

Consolidated financial statements content

STRAKER LIMITED CONSOLIDATED FINANCIAL STATEMENTS

Directors' declaration

For the year ended 31 March 2026

The directors declare that:

(a) the financial statements and notes are in accordance with the Financial Reporting Act 2013 and the Companies Act 1993, including:

(i) complying with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Group's financial position as at 31 March 2026 and of its financial performance for the year then ended; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Board authorised these financial statements for issue on 31 August 2026.

Signed in accordance with a resolution of the Directors.

Linda Jenkinson	**David Sowerby**	**Indiver Nagpal**
Chair	Co-Chief Executive Officer	Co-Chief Executive Officer.

Independent auditor's report

to the shareholders of Straker Limited

BDO Auckland

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF STRAKER LIMITED

Opinion

We have audited the consolidated financial statements of Straker Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes to equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 2026, 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") and IFRS® Accounting Standards.

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 assignments for the Group in the area of tax compliance services and tax advisory services. The firm has no other relationship with, or interests in, the Company or any of its subsidiaries.

Material Uncertainty Related to Going Concern

We draw attention to Note 2b to the consolidated financial statements, which indicates that the Group incurred a net loss of $15.261 million during the year ended 31 March 2026, including financial loss from fraud of $6.155 million. As stated in Note 2b, these events or conditions, along with other matters as set forth in Note 2b, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Misappropriation of funds, fraud investigation and restatement of comparative information

Key Audit Matter

Subsequent to year end, the Group identified misappropriation of funds involving payment transactions within its United States subsidiary, Straker Inc, including transactions affecting the current and prior reporting periods.

The matter required management to assess the nature and extent of the fraudulent activity, supported by the work of external forensic accountants, and to determine the completeness and accuracy of the affected balances and transactions. This included assessing the impact on cash, expenses, liabilities, related disclosures and the classification of transactions between the current period, prior periods and the period after reporting date. Management concluded that the prior period impact was material and restated the comparative information in accordance with NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

We considered this to be a key audit matter because the matter spanned multiple reporting periods, the misappropriation of funds was material, it resulted in the restatement of comparative information and it required significant audit effort, judgement in assessing the completeness of the affected transaction population, period classification, accounting treatment and related disclosures.

Disclosures regarding the fraud matter, including the nature of the misappropriated funds, the impact on the consolidated financial statements, the restatement of comparative information, and management's assessment of the current, prior period and post reporting date financial reporting implications, are included in Note 2b of the consolidated financial statements.

How The Matter Was Addressed in Our Audit

- We made inquiries of management and those charged with governance regarding the nature and extent of the matter, the procedures undertaken to identify the affected transactions, including work of external forensics accountants, and whether they were aware of any other instances of fraud, suspected fraud, control deficiencies or unusual transactions relevant to the Group, including the US subsidiary.
- We considered the competence, objectivity and scope of the external forensic accountants engaged by management, evaluated the nature of their procedures, and assessed whether their findings were consistent with other audit evidence obtained.
- We evaluated the outputs of the external forensic investigation and performed audit procedures over selected underlying data, transactions and reconciliations used to support management's accounting assessment.
- We involved our internal forensic specialists to assist in evaluating the nature and extent of the fraud, the adequacy of management's assessment and the external forensic procedures, and the implications for our audit risk assessment and further audit procedures.
- We performed procedures to assess the completeness of bank accounts and payment platforms used by the Group, including direct confirmation of identified bank accounts and review of relevant banking and payment platform information.
- We tested selected fraudulent transactions, non fraudulent transactions and related accounting entries to underlying supporting documentation, and assessed whether they had been recorded in the correct period and appropriately classified in the consolidated financial statements.
- We considered whether any indicators of further fraud, control deficiencies, unusual transactions or other matters relevant to the fraud risks associated with the US subsidiary were identified during the current and prior period audits and, where matters were identified, evaluated how they had been addressed in our risk assessment, further audit procedures, and assessment of the related accounting and disclosure implications.
- We expanded our fraud response procedures, including testing selected journal entries and other manual adjustments with characteristics responsive

to the fraud risks identified, and considered the implications of identified control deficiencies for the nature, timing and extent of substantive audit procedures performed.

- We evaluated management's assessment that the identified prior period misstatements were material, individually and in aggregate, and assessed whether the restatement of comparative information was consistent with NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.
- We considered the treatment of misappropriated funds and related costs identified after the reporting date, including whether these matters were appropriately treated as adjusting or nonadjusting events and disclosed in the consolidated financial statements.
- In assessing completeness of the fraud, we considered written representations together with other audit evidence obtained, including the external forensic accountants' findings, direct confirmations, banking and payment platform information, selected transaction testing, and the results of our expanded fraud response procedures.
- We evaluated the adequacy of the related disclosures in the consolidated financial statements, including whether the disclosures appropriately described the fraud matter, the restatement of comparative information, the current period impact and the postreportingdate financial reporting implications.

Impairment of goodwill and other intangible assets

Key Audit Matter	How The Matter Was Addressed in Our Audit
The Group has recognised goodwill on historical acquisitions, as well as capitalised software development costs. The goodwill and other intangible assets are subject to an annual impairment test in accordance with NZ IAS 36 – *Impairment of Assets*. Management has performed their impairment test, by considering the recoverable amount of the Cash Generating Unit ('CGU') (to which the goodwill and other intangible assets are allocated) using a value in use calculation. The value in use calculation is complex and subject to key inputs and assumptions such as discount rates and future cash flows, which inherently include a degree of estimation uncertainty and are prone to	• We obtained an understanding of key controls relating to the review and approval of the impairment review. • We 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, allocation of corporate overheads, discount rates, and terminal growth rates. We have evaluated and challenged the key inputs and assumptions and considered if these are indicative of management bias. • We assessed the accuracy of previous forecasts against actual performance in order to form a view on the reliability of management's forecasting ability and to understand key differences between historical results versus forecast performance. • We have considered the sensitivity of the value in use model to movements in key assumptions.

potential bias and inconsistent application and therefore considered to be a key audit matter.

In the current year, the Group has recognised an impairment loss of $5.698 million in relation to the NZ CGU, consisting of $2.702 million of goodwill and $2.996m of intangible assets.

Disclosures around impairment, including key assumptions used and sensitivity of the assessment to critical judgemental inputs, are included in Note 2 (c) (i) Goodwill and Note 13 (Intangible assets) of the consolidated financial statements.

- We tested the mathematical accuracy of the value in use calculations.
- We engaged our internal valuation experts to assess that the methodology used is consistent with NZ IAS 36 *Impairment of Assets*, and to ensure the discount rates and terminal growth rates used, fell within an appropriate range.
- We have compared the carrying value of the CGUs' assets to the recoverable amount determined by the impairment test to identify any impairment losses.
- We reviewed the disclosures in Note 13 to the consolidated financial statements, including impairment and sensitivity analysis, to the requirements of the accounting standard.

Capitalisation of software development costs

Key Audit Matter

The Group has capitalised internally development software costs, valued at $2.996 million as per 31 March 2026.

The Group capitalises costs incurred in the development of its software when certain criteria are met, as explained in Note 13 (Intangible assets). These costs are then amortised over the estimated useful life of the software.

The Group's process for calculating the cost of internally developed software involves judgement as it includes estimations on time staff spent developing software and determining the cost attributable to that time.

The Group's process for assessing the useful life of the internally developed software involves judgement as it includes estimations around the expected period of economic benefits.

We consider this to be a key audit matter because of the judgement involved in determining expenditure able to be capitalised and the quantum of the amount of the amount capitalised.

Disclosures around capitalised software development costs, including key assumptions, are included in Note 2 (c) (ii) Capitalised software development and Note 13 (Intangible assets) of the consolidated financial statements.

How The Matter Was Addressed in Our Audit

- We have obtained management's positioning papers covering the significant software development projects, and how such spend creates or enhance an intangible asset.
- We have obtained management's capital development calculations and reconciled the totals to the general ledger.
- From the calculations, we have gained an understanding from finance and nonfinance management of the software projects and how the projects create or enhance an intangible asset. We have compared this to the requirements of NZ IAS 38 *Intangible Assets* to determine if they met the recognition criteria.
- From the calculations, we have traced a sample of payroll related expenditure to supporting documentation, including payroll reports, timecard narratives and employee job descriptions.
- From the calculations, we have traced a sample of other direct costs allocated to capitalised development to supporting documentation.
- We have obtained management's positioning paper that considers the useful life of its capitalised software assets. We have reviewed the reasonableness of the estimated useful life adopted by management. We have reperformed the amortisation charged to profit or loss based on the intangible assets estimated useful economic life and period in use.
- We reviewed the disclosures in Note 13 in relation to the internally development software costs to the requirements of the accounting standard.

Revenue from contracts with customers

Key Audit Matter	How The Matter Was Addressed in Our Audit
The Group earns revenue from language services, subscriptionbased software arrangements and managed services. Language services revenue is recognised over time using an input method, subscription revenue is recognised over the licence period as performance obligations are satisfied, and managed services revenue is recognised over the service term as performance obligations are satisfied. In many instances, billing and cash receipts do not align with the timing of revenue recognition. We consider this to be a key audit matter given the significance of revenue to the consolidated financial statements and the level of judgements involved for each revenue stream. Disclosures around revenue, contract assets and contract liability recognition, including key assumptions, are included in Note 2 (c) (iii), and Note 4 Revenue of the consolidated financial statements.	• We obtained an understanding of key controls relating to the review and approval of customer contracts, and the application of the standard. • We reviewed management's assessment against the Group's accounting policy, customer contracts and the requirements of NZ IFRS 15 *Revenue from Contracts with Customers*. • For entities using the Group's project management system, we tested key controls over revenue recognition, including approval of quotes, evidence of customer acceptance, accuracy and timing of revenue recording, and confirmation of project completion. • We tested a sample of revenue transactions to supporting documentation, including contracts, invoices, and evidence of service delivery. • We tested a sample of contract asset balances and assessed whether these reflected work performed and met the recognition criteria under NZ IFRS 15 - *Revenue from Contracts with Customers*. We also evaluated the recoverability of aged balances. • In addition, we tested a sample of contract liability balances by tracing them to underlying contracts and cash receipts, and assessed whether revenue had been appropriately deferred or recognised in accordance with performance obligations. • We reviewed revenue transactions recorded either side of the reporting date to supporting documentation, management's revenue recognition accounting policy and the requirements of NZ IFRS 15 - *Revenue from Contracts with Customers*. • We reviewed the disclosures in Note 2 (c) (iii), and Note 4 including accounting policies and revenue disaggregation.

Other Information

The directors are responsible for the other information. The other information comprises the Annual report and Appendix 4E, 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 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 IFRS Accounting Standards, 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 financial statements is located at the External Reporting Board's website at: https://www.xrb.govt.nz/standards/assurancestandards/auditorsresponsibilities/auditreport11/.

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 Mark Nicholson.

BDO Auckland

BDO Auckland
Auckland
New Zealand
31 August 2026

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2026

		2026	2025
			*Restated
	Notes	$'000	$'000
Revenue	4	38,766	45,002
Cost of sales	6	(13,934)	(14,420)
Gross profit		**24,832**	**30,582**
Operating expenses			
Selling and distribution		(11,566)	(13,083)
Product design and development		(8,237)	(7,562)
General and administration		(8,199)	(14,116)
Impairment losses	6	(6,263)	(6,818)
Total operating expenses	6	**(34,264)**	**(41,579)**
Other income	5	668	346
Loss from operations		**(8,764)**	**(10,651)**
Financial loss due to fraud	2b	(6,155)	(1,122)
Net finance (expense)/income	7	(361)	1,145
Loss before income tax		**(15,280)**	**(10,628)**
Income tax credit	8	19	341
Loss for the year after tax attributable to shareholders		**(15,261)**	**(10,287)**
Other comprehensive income			
Items that may be reclassified to profit or loss, net of tax			
Foreign currency translation differences		355	344
Total comprehensive income for the year attributable to shareholders		**(14,906)**	**(9,943)**
Earnings/(loss) per share for the year			
Basic and diluted earnings per share (cents)	9	(23.72)	(15.99)

* The comparative information has been restated as discussed in note 2b.

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

Statement of Changes in Equity

for the year ended 31 March 2026

	Notes	Share Capital	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total
31 March 2026		**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance 1 April 2025 (*restated)		**66,774**	**(43,450)**	**1,504**	**(796)**	**24,032**
Loss for the year		-	(15,261)	-	-	(15,261)
Other comprehensive loss		-	-	-	355	355
Total comprehensive income for the year		66,774	**(58,711)**	1,504	**(441)**	**9,126**
Transactions with owners in their capacity as owners						
Share option cost	21	-	-	134	-	134
Balance 31 March 2026		**66,774**	**(58,711)**	**1,638**	**(441)**	**9,260**

	Notes	Share Capital	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total
31 March 2025		**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance 1 April 2024		**66,774**	**(33,163)**	**1,337**	**(1,140)**	**33,808**
Loss for the year		-	(10,287)	-	-	(10,287)
Other comprehensive loss		-	-	-	344	344
Total comprehensive income for the year		**66,774**	**(43,450)**	**1,337**	**(796)**	**23,865**
Transactions with owners in their capacity as owners						
Share option cost	21	-	-	167	-	167
Balance 31 March 2025 (*restated)		**66,774**	**(43,450)**	**1,504**	**(796)**	**24,032**

* The comparative information has been restated as discussed in note 2b.

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

Statement of Financial Position

As at 31 March 2026

	Notes	2026 $'000	2025 *restated $'000
Current assets			
Cash and cash equivalents	10	3,478	12,919
Trade receivables	11	8,937	7,330
Other assets and prepayments	12	3,459	2,085
Total current assets		**15,874**	**22,334**
Non-current assets			
Intangible assets	13	3,990	10,154
Plant and equipment		78	227
Right-of-use assets	16	198	613
Total non-current assets		**4,266**	**10,994**
Total assets		**20,140**	**33,328**
Current liabilities			
Trade and other payables	14	5,598	4,574
Contract liabilities	15	3,856	3,389
Employee benefits liabilities		594	606
Lease liabilities	16	608	520
Total current liabilities		**10,656**	**9,089**
Non-current liabilities			
Lease liabilities	16	224	207
Total non-current liabilities		**224**	**207**
Total liabilities		**10,880**	**9,296**
Net assets		**9,260**	**24,032**
Equity			
Share capital	17	66,774	66,774
Foreign currency translation reserve		(441)	(796)
Share option reserve	21	1,638	1,504
Accumulated losses		(58,711)	(43,450)
Total equity		**9,260**	**24,032**

* The comparative information has been restated as discussed in note 2b.

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

Statement of Cash Flows

for the year ended 31 March 2026

	Notes	2026 $'000	2025 *restated $'000
Cash flows from operating activities			
Receipts from customers		36,792	45,004
Government grants and tax incentives		269	182
Interest received		101	220
Payments to suppliers and employees		(37,451)	(40,725)
Funds taken through fraud	2b	(6,155)	(1,122)
Net cash from/(used) in operating activities	22	**(6,444)**	**3,559**
Cash flow from investing activities			
Payments for capitalised software development	13	(1,949)	(2,344)
Payments for plant & equipment		(100)	(102)
Net cash used in investing activities		**(2,049)**	**(2,446)**
Cash flow from financing activities			
Lease liability payments	16	(753)	(544)
Net cash used in financing activities		**(753)**	**(544)**
Net increase/(decrease) in cash and cash equivalents		**(9,246)**	**569**
Effect of exchange rate on foreign currency balances		(195)	185
Cash and cash equivalents at beginning of the period		**12,919**	**12,165**
Cash and cash equivalents at end of the period		**3,478**	**12,919**

* The comparative information has been restated as discussed in note 2b.

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

Notes to the Financial Statements

for the year ended 31 March 2026

1. Reporting entity and statutory base

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 audited consolidated financial statements of Straker 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 New Zealand General Accepted Accounting Practice ("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"). The consolidated financial statements also comply with IFRS® Accounting 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 consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Company (its subsidiaries). The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

b) Financial loss due to fraud and restatement of comparative balances
In May 2026 the Company discovered suspicious payment transactions involving bank accounts of its United States subsidiary, Straker Translations Inc (Straker Inc). Upon initial investigation the Company identified that a US-based finance employee misappropriated Company funds over an extended period.

On discovery, the Group activated emergency containment measures consistent with the Group's Fraud Policy including freezing affected accounts, imposing manual dual authorisation over all cash payments, and engaging forensic accountants, external legal counsel, insurers and law enforcement.

Due to the scale and complexity of the suspicious transactions initially found, external forensic accountants were appointed to assist with the investigation and assessment of the extent of the fraudulent activity. Investigations completed to-date have identified the total value of misappropriated fund transactions across each of the 2023 to 2027 financial years as follows:

Financial year	Note	USD'000	NZD'000
2023		225	393
2024		282	493
2025		684	1,122
2026		3,519	6,155
2027	23.1	454	793
Total financial loss due to fraud		**5,164**	**8,956**

The fraud was concealed principally through (i) a highly complex, sophisticated, and extensive system of manipulation that required a large forensic team several months to unravel; (ii) the fraud was enabled by non-compliance with Group policy, resulting in a breach of segregation of duties across vendor creation, payment approval and payment execution.

i) Restatement of comparative balances

The fraudulent transactions in the 2023 and 2024 financial years were already included in the operating expenses of the relevant financial period. Correction of misstated disclosures in those financial years has no impact on the opening consolidated statement of financial position at 1 April 2024. Accordingly, there has been no restatement of the opening financial position as at that date.

The previous concealment of the fraudulent transactions resulted in material misstatements in the 2025 consolidated financial statements. The 2025 comparative information in these consolidated financial statements has been restated to separately disclose the cost of the fraudulent activity and to correct the misclassifications and misstatement of balances in the previous year's consolidated financial statements.

The misclassifications have been corrected by restating each of the affected financial statements line items for the prior period as follows:

		2025		
		Previously reported	**Adjustment**	**Restated**
	Note	**$'000**	**$'000**	**$'000**
Consolidated Statement of Profit or Loss and Other Comprehensive Income				
Increase/(decrease) in profit:				
Revenue	4	44,863	139	45,002
Cost of sales	6	(14,819)	399	(14,420)
Selling and distribution expenses	6	(13,191)	108	(13,083)
Product design and development expenses	6	(7,625)	63	(7,562)
General and administration expenses	6	(14,233)	117	(14,116)
Other income	5	182	164	346
Net finance (expense)/income	7	1,142	3	1,145
Financial loss due to fraud	2b	-	(1,122)	(1,122)
Loss for the year after tax		**(10,158)**	**(129)**	**(10,287)**
Earnings/(loss) per share for the year				
Basic and diluted earnings per share (cents)	9	(15.79)	(0.20)	(15.99)

		2025		
		Previously reported	Adjustment	Restated
	Note	$'000	$'000	$'000
Consolidated Statement of Financial Position				
Increase/(decrease) in net assets:				
Cash and cash equivalents	10	12,915	4	12,919
Trade receivables	11	7,371	(41)	7,330
Other assets and prepayments	12	2,131	(46)	2,085
Trade and other payables	14	(4,483)	(91)	(4,574)
Contract liabilities	15	(3,434)	45	(3,389)
Accumulated losses		**(43,321)**	**(129)**	**(43,450)**

	2025		
	Previously reported	Adjustment	Restated
	$'000	$'000	$'000
Consolidated Statement of Cash Flows			
Increase/(decrease) in net cash flows:			
Receipts from customers	45,624	(620)	45,004
Government grants and tax incentives	367	(185)	182
Payments to suppliers and employees	(42,818)	2,093	(40,725)
Funds taken through fraud	-	(1,122)	(1,122)
Payments for capitalised software development	(2,152)	(192)	(2,344)
Payments for plant & equipment	(89)	(13)	(102)
Lease liability payments	(687)	143	(544)
Net increase/(decrease) in cash and cash equivalents	**465**	**104**	**569**

ii) Costs subsequent to the reporting date (note 23)

In addition to the $793,000 of misappropriated funds discovered in the period since the reporting date, the Group has incurred investigation costs and other costs of $1.6 million in investigating and addressing the impact of this fraud. As these costs were incurred post the reporting date they are being recognised in the 2027 financial year.

c) New standards, interpretations and amendments effective from 1 April 2026

There are a number of standards, amendments to standards, and interpretations which have been issued that are effective for the year ended 31 March 2026. These amendments have no effect on the measurement or presentation of any items in the consolidated financial statements of the Group but affect the disclosure of accounting policies of the Group.

The Group has not adopted, and currently does not anticipate adopting, any standards prior to their effective dates including the change to NZ IFRS 18 Presentation and Disclosure in Financial Statements that is effective 1 January 2027. The standard has been released, but not effective yet. Adopting the change to NZ IFRS 18 will 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.

d) Use of estimates, judgements and assumptions

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 following financial statements areas.

i) Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group has the intention and ability to continue its operations for at least 12 months from the date of signing the financial statements.

The Group incurred an after-tax loss of $15.3 million in the year to 31 March 2026 (2025: $10.3 million loss) which included $6.2 million financial loss due to the fraud (2025: $1.2 million) and $6.3 million of impairment losses (2025:6.8 million).

At the reporting date the Group had cash of $3.5 million (2025: $12.9 million), working capital of $5.2 million (2025: $13.2 million) and net assets of $9.3 million (2025: $24.0 million). The Group had no borrowings (2025: none).

The Group has discovered $793,000 of fraudulent transactions which were incurred subsequent to the reporting date and will be recognised in the 2027 consolidated financial statements. In addition, the Group has incurred investigation and remediation costs which are expected to total $1.7 million through to September 2026. These costs will also be recognised in the 2027 consolidated financial statements.

The Company understands that its major shareholders continue to be supportive of the Group's growth and ongoing investment requirements. Certain shareholders have indicated that a short-term debt facility could be made available if required. The Company has not taken up any such facility, and no reliance has been placed on it in preparing the cash flow forecasts. Shareholders have also indicated they would consider participating in a rights offer or capital raise, and the Company may explore this option following the resumption of trading in its shares.

Notwithstanding the significant impact of the fraud, including the investigation and remediation costs, and the impact of the delayed ASX reporting and trading suspension, the Board have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources that will enable it to meet its financial obligations for at least 12 months from the date of signing the consolidated financial statements.

The Directors have formed this expectation having regards to the Group's current liquidity position; forecast cash flows for the assessment period which includes management's plans to remove some cost from the business over the coming period; sensitivity analysis and downside scenarios; and actions available to preserve liquidity should conditions deteriorate. However, the Group's ability to continue as a going concern is dependent on achieving forecast revenue, profitability and operating cash flows over the assessment period. Any significant adverse movements in trading performance, cash collections or remediation costs could result in the Group requiring additional funding sooner than currently forecast. As a result, the Directors acknowledge there are material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements do not include any adjustments that may be made to reflect a situation where the Group is unable to continue as a going concern. Such adjustments may include realising assets at amounts different to which they are recorded in the consolidated financial statements.

ii) Goodwill (Note 13)

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 13)

The Group has capitalised software development costs where they meet the criteria outlined in its accounting policy. Significant judgement is required in assessing whether these criteria are met, particularly regarding the technical feasibility and expected future economic benefits of the software.

The Group reviews the estimated useful lives of intangible assets at the end of each reporting period. Determining the useful life requires estimation of the period over which the asset is expected to contribute to future cash flows.

For capitalised software, this assessment is subject to significant estimation uncertainty due to the rapid pace of technological change, specifically relating to evolving Artificial Intelligence (AI) capabilities.

Following the revision of the estimated useful life from five years to three years in the prior period, management has reassessed this estimate at 31 March 2026. Management has determined that a three-year useful life remains the most appropriate estimate of the period over which these assets will contribute to future cash flows.

iv) Revenue (Note 4) and Contract asset (Note 12.1) and Contract liability (Note 15) recognition

Revenue is recognised in accordance with NZ IFRS 15 Revenue from Contracts with Customers. It is measured based on the consideration specified in a contract with a customer and recognised when the Group satisfies a performance obligation (PO) by transferring control of a service. Control is transferred either over time or at a point in time, depending on the nature of the service provided and the terms of the customer contract.

Language Services

- **Translation Services:** Revenue is recognised over time using an input method based on the proportion of words translated relative to the total expected word count. Performance obligations are considered satisfied progressively as translation work is completed. The customer simultaneously receives and consumes the benefits of the translation service as it is performed. The Group has an enforceable right to payment for services completed to date.
- **Interpretation Services:** Revenue is recognised at a point in time, upon completion of the service session.

  The PO is satisfied when the interpreter has delivered the session and no further service obligation remains.

  Contract assets arise when revenue is recognised in advance of invoicing. Contract liabilities arise when payments are received in advance of performance and are recognised as revenue when the relevant PO is satisfied as described above.

Subscriptions

- **Platform Access and Support Services:** Revenue is recognised over time on a straight-line basis across the subscription term, reflecting continuous access and support provided. The PO is satisfied as the customer accesses the platform and receives support over time.
- **Token-Based AI Feature Usage:** Revenue is recognised at a point in time when a token is consumed by the customer. The PO is satisfied at the moment the specific AI-enabled output (e.g., translation verification or content generation) is delivered, which represents the fulfilment of a discrete service obligation.

  Advance payments for subscriptions and tokens are recorded as contract liabilities and recognised as revenue as the associated performance obligations are satisfied.

Managed Services

Managed Services revenue includes:

- **Hosting Services (Platform Access & Support):** Revenue is recognised over time on a straight-line basis throughout the service term. POs are satisfied as the customer continuously receives hosted access and support.
- **Professional Services:** Revenue is recognised over time, with performance obligations considered satisfied progressively as services are rendered and the customer benefits from the service delivery. Progress is typically measured using labour hours or milestones depending on contract specifics.

  Advance payments are recorded as contract liabilities and recognised as revenue when related POs are satisfied, according to the time-based or progress-based criteria outlined above.

v) Deferred Tax (Note 8)

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 directors believe 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.

vi) Restatement of financial statements due to misappropriation of funds (Note 2b)
As detailed in note 2b, comparative information in the financial statements has been restated to separately disclose the cost of the fraudulent activity and to correct the misclassifications and misstatement of balances in the previous year's consolidated financial statements as identified during the Straker Inc fraud investigations.

Judgement is required in identifying the fraudulent transactions in Straker Inc and determining the appropriate corrections required.

Judgement is also required in determining that the fraudulent transactions in the 2023 and 2024 financial years were already included in opening accumulated losses at 1 April 2024 and that there was no requirement to restate the opening Consolidated Statement of Financial Position as at that date.

Funds misappropriated, and investigation and remediation costs incurred, post the reporting date, have been treated as non-adjusting and will be recognised in the 2027 financial year. Judgement is required in determining the appropriate period in which these transactions are recognised.

e) Foreign currency translation
Transactions entered into by Group entities in a currency other than 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, with resulting exchange differences generally recognised in profit or loss.

On consolidation, the results of overseas operations are translated into New Zealand dollars at rates approximating those ruling when the transactions took place. Assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in the foreign exchange reserve. Exchange differences on long-term monetary items forming part of the Group's net investment in an overseas operation are reclassified to other comprehensive income on consolidation.

f) Financial instruments

Non-derivative financial assets
The Group classifies its financial assets as measured at amortised cost. This classification applies to assets held within a business model whose objective is to hold financial assets to collect contractual cash flows, where those cash flows represent solely payments of principal and interest.

The Group's financial assets measured at amortised cost comprise trade and sundry receivables and cash and cash equivalents. These are initially recognised at fair value plus transaction costs and 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, sundry payables, and lease liabilities.

These are recognised initially at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

g) Impairment of assets

Financial assets – trade receivables
Impairment provisions for current trade receivables are recognised based on the simplified approach within NZ IFRS 9, using a provision matrix to determine lifetime expected credit losses (ECL). For related party receivables, provisions are based on a forward-looking ECL model.

Non-financial assets
Goodwill is tested for impairment annually, or more frequently if indicators exist. Recoverable amount is determined based on value in use calculations, using cash flow projections derived from the most recent financial budgets approved by management and discounted using a pre-tax discount rate reflecting current market assessments of the time value of money and risks specific to the asset. Key assumptions used in the value in use calculations, including discount rates and growth rates, are disclosed in Note 13.

The carrying amounts of the Group's other non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss is recognised in profit or loss if the carrying amount exceeds the recoverable amount.

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 Board of Directors, Co-Chief Executive Officers, 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 contributed $14.8 million in revenue being 38.2% of the total revenue of the Group (2025: one customer contributing $17.3 million in revenue being 38.6% of the total revenue of the Group).

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.

	APAC	**EMEA**	**NAM**	**TOTAL**
Year ended 31 March 2026	**$'000**	**$'000**	**$'000**	**$'000**
Income				
Language services	12,548	5,592	9,501	27,641
Subscriptions	1,325	150	3,322	4,797
Managed services	6,328	-	-	6,328
Total income	**20,201**	**5,742**	**12,823**	**38,766**
Expenses	(27,867)	(10,062)	(10,269)	(48,198)
Segment contribution	**(7,666)**	**(4,320)**	**2,554**	**(9,432)**

	APAC	**EMEA**	**NAM**	**TOTAL**
Year ended 31 March 2025	**$'000**	**$'000**	**$'000**	**$'000**
Income				
Language services	15,081	7,382	8,032	30,495
Subscriptions	1,066	503	4,053	5,622
Managed services	8,885	-	-	8,885
Total income	**25,032**	**7,885**	**12,085**	**45,002**
Expenses	(32,920)	(7,751)	(15,328)	(55,999)
Segment contribution	**7,888**	**134**	**(3,243)**	**(10,997)**

(2025 comparatives have been restated. Refer note 2b)

	2026	2025
	$'000	$'000
Segment contribution	(9,432)	(10,997)
Other income	688	346
Financial loss due to fraud	(6,155)	(1,122)
Net finance income/(expense)	(361)	1,145
Net profit/(loss) before income tax	**(15,280)**	**(10,628)**

(2025 comparatives have been restated. Refer note 2b)

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 goods or services to a customer.

For each contract with a customer, the Group identifies the contract, identifies the performance obligations, determines the transaction price considering estimates of variable inputs and the time value of money, allocates the transaction price to the separate performance obligations based on 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 of the promised goods or services to the customer.

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 other assets and prepayments on the Consolidated 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.

Managed services
Managed services revenue comprises fees charged for translation request management and infrastructure services recognised over time based on agreed charges and input hours.

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

	2026	2025
	$'000	$'000
Language services	27,641	30,495
Subscriptions	4,797	5,622
Managed services	6,328	8,885
Revenue from contracts with customers	**38,766**	**45,002**

(2025 comparatives have been restated. Refer note 2b)

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

5. Other income

	2026	2025
	$'000	$'000
Research & development tax credit	489	182
Miscellaneous income	179	164
	668	**346**

(2025 comparatives have been restated. Refer note 2b)

The Group received government grant income in the year in the form of a R&D Tax Credit of $0.488 million (2025: $0.182 million).

Government grants are not recognised until there is reasonable assurance that:

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

(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.

6. Expenses

	Notes	2026 $'000	2025 $'000
Cost of sales and operating expenses			
Advertising and marketing		488	1,096
Employee entitlements		14,833	17,002
Capitalised software development	13	(1,941)	(2,152)
Recruitment and other personnel costs		1,548	758
Superannuation contributions		268	364
Share option expense		134	166
Consultants and contractors		16,991	17,348
Bad debts written off		6	142
Communication, insurance and office administration		643	513
Computer equipment and software		1,859	1,493
Platform costs		1,884	1,775
Short term and low value leases		79	(26)
Travel-related costs		700	912
Other operating expenses		993	215
Acquisition and restructure costs		500	187
Total cost of sales and operating expenses excl. depreciation, amortisation and impairment losses		**38,985**	**39,793**

	Notes	2026 $'000	2025 $'000
Depreciation and amortisations			
Amortisation of customer relationship	13	-	928
Amortisation of software development	13	2,375	5,176
Amortisation of acquired software	13	-	2,603
Amortisation of right of use assets	16	422	566
Depreciation of plant and equipment		146	113
Total depreciation and amortisations		**2,943**	**9,386**
Impairment of non-financial assets			
Impairment of plant and equipment		153	-
Impairment of right of use assets	16	412	-
Impairment of software development	13	2,996	-
Impairment of customer relationship asset	13	-	483
Impairment of goodwill	13	2,702	6,335
Total impairment of non-financial assets		**6,263**	**6,818**
Total cost of sales and operating expenses (restated)		**48,191**	**54,481**

(2025 comparatives have been restated. Refer note 2b)

		2026 $'000	2025 $'000
Remuneration to parent auditor			
- fee relating to audit of the financial statements		125	125
- fee relating to other assurance engagement (interim review)		54	54
- taxation services – compliance		22	22
Total auditor's remuneration		**201**	**201**

7. Net finance income and expense

	Notes	2026 $'000	2025 $'000
Finance income			
Interest received on financial assets at amortised cost		101	220
Foreign exchange gain		-	973
Total finance income		**101**	**1,193**
Finance expense			
Interest expense on loans and borrowings stated at amortised cost		-	-
Interest expense on leases		(30)	(48)
Foreign exchange loss		(432)	-
Total finance expense		**(462)**	**(48)**
Net finance income		**(361)**	**1,145**

The Group's net foreign exchange loss primarily resulted from the revaluation and settlement of inter-company balances (2025: gain resulted primarily from the revaluation of inter-company loans).

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.

Foreign currency translation gains and losses are recorded in finance income and expense in accordance with Note 19 (d).

8. Income tax expense

8.1. Income tax recognised in profit or loss

	2026	2025
(a) Income tax recognised in profit or loss	**$'000**	**$'000**
Current tax expense	(19)	42
Deferred tax credit	-	(386)
Total tax expense/(credit)	**(19)**	**(344)**

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 loss as follows:	2026	2025
	$'000	$'000
Loss before tax	(15,280)	(10,628)
Income tax expense calculated at 28% (2025: 28%)	(4,278)	(2,976)
Prior period adjustments	51	2
Different tax rates applied in overseas jurisdictions	507	219
Non-deductible expenses	756	-
Tax losses not recognised	2,945	2,414
Total tax expense/(credit)	**(19)**	**(341)**

(2025 comparatives have been restated. Refer note 2b)

8.2. Deferred tax liability

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28% (2025: 28%).

	2026	2025
Deferred tax liability	$'000	$'000
Deferred tax liabilities arising on intangible assets	-	384
Reversal of temporary differences	-	(386)
Effect of change in foreign exchange rates	-	2
At 31 March	**-**	**-**

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 realised, due to a recent history of losses.

The value of deferred tax asset not recognised as at 31 March 2026 was $10.6 million (2025: $5.8 million). 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 $37.7 million (2025: $25.9 million).

The unrecognised tax losses include $4.7 million of accumulated fraud losses to 31 March 2026 (note 2b).
A comprehensive review of the deductibility of these losses for taxation purposes has not yet been completed. Until such a review is completed there is uncertainty about the extent to which these losses will be available to offset future taxable profits.

8.3. Imputation credits

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

	2026	2025
	$'000	$'000
Imputation credits at 1 April	**-**	**5**
New Zealand tax payments, net of refunds	-	(5)
Imputation credits available to shareholders of the company at 31 March	**-**	**-**

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.

	2026	2025
Numerator	**$'000**	**$'000**
Loss for the year after tax (“N”)	(15,261)	(10,287)
Denominator	**'000**	**'000**
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)	(23.72)	(15.99)

(2025 comparatives have been restated. Refer note 2b)

10. Cash and cash equivalents

	2026	2025
	$'000	**$'000**
Cash and cash equivalents	3,478	12,919

Cash and cash equivalents consist of cash at bank immediately available on demand. The bank accounts attract interest between 0.00% and 1.85% (2025: 0.00% and 3.67%).

11. Trade receivables

		2026	2025
	Notes	**$'000**	**$'000**
Gross trade receivables		9,210	7,418
Impairment allowance		(273)	(88)
Trade receivables		**8,937**	**7,330**
Opening balance of impairment provision		88	719
Bad debts written off	6	6	142
Increase/(decrease) in provision for the year		189	(634)
Foreign exchange adjustment		2	(139)
Closing balance of impairment provision		**273**	**88**

(2025 comparatives have been restated. Refer note 2b)

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 gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates.

12. Other assets and prepayments

	Notes	2026 $'000	2025 $'000
Contract asset	12.1	1,976	810
Goods and services tax		-	24
Prepayments		756	1,018
Sundry receivables		727	233
		3,459	**2,085**

(2025 comparatives have been restated. Refer note 2b)

12.1. Contract asset

Deferred tax liability	2026 $'000	2025 $'000
Opening balance	810	1,095
Invoiced in the year	(810)	(1,095)
Revenue accrued for services performed not yet invoiced	1,976	810
	1,976	**810**

13. Intangible assets

	Notes	Software development $'000	Acquired software $'000	Customer relationship $'000	Goodwill $'000	Total $'000
Year ended 31 March 2026						
Opening net book value		3,444	-	-	6,710	10,154
Additions in the year		1,941	-	-	-	1,941
Amortisation expense	6	(2,375)	-	-	-	(2,375)
Impairments	6	(2,996)	-	-	(2,702)	(5,698)
Foreign exchange adjustment		(14)	-	-	(18)	(32)
Closing net book value		**-**	**-**	**-**	**3,990**	**3,990**
At 31 March 2026						
Cost		16,902	13,405	11,150	16,041	57,498
Accumulated amortisation and impairment		(16,902)	(13,405)	(11,150)	(12,051)	(53,508)
Closing net book value		**-**	**-**	**-**	**3,990**	**3,990**

	Notes	Software development	Acquired software	Customer relationship	Goodwill	Total
		$'000	$'000	$'000	$'000	$'000
Year ended 31 March 2025						
Opening net book value		6,349	2,186	1,404	12,565	22,504
Additions in the year		2,152	-	-	-	2,152
Amortisation expense	6	(5,176)	(2,603)	(928)	-	(8,707)
Impairments	6	-	-	(483)	(6,335)	(6,818)
Foreign exchange adjustment		119	417	7	480	1,023
Closing net book value		**3,444**	**-**	**-**	**6,710**	**10,154**
At 31 March 2025						
Cost		14,953	13,392	10,959	16,041	55,345
Accumulated amortisation and impairment		(11,509)	(13,392)	(10,959)	(9,331)	(45,191)
Closing net book value		**3,444**	**-**	**-**	**6,710**	**10,154**

Additions in the year include salaries and wages of $1.750 million (2025: $1.639 million).

Software development
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.

Capitalised development costs, primarily related to software developed to manage translation service projects, are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis within administration expenses in profit or loss over the estimated useful lives of the assets, from the date they are available for use. Development expenditure not satisfying capitalisation criteria, and expenditure on the research phase, is recognised in profit or loss as incurred. Estimated useful lives are reviewed at least annually. Capitalised software development costs are amortised on a straight line basis (2025: amortised on a straight line basis).

Management has determined that an estimated useful life of three years (revised from five years in March 2025) remains appropriate for all capitalised software assets. This estimate reflects the ongoing risk of technological obsolescence driven by rapid advancements in artificial intelligence (AI), which shortens the expected period of economic benefit. The consistent application of this revised life resulted in an increased amortisation expense for the current period compared to historical periods.

Acquired software
Computer software acquired 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 (2025: 2-4 years).

Customer relationships

Customer relationships acquired 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 (2025: 3-7 years). The customer relationship asset is amortised on a straight line basis.

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.

Goodwill

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. 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.

Cash generating units

There has been a change in the CGUs in the period with IDEST CGU merged into Europe CGU following a business reorganisation.

The Group has allocated goodwill to the below regions or subsidiaries, as the group of assets that each generate cash inflows that are largely independent of the cash inflows from other assets in the Group.

The allocation of goodwill to the CGUs at 31 March 2026 as follows:

		Europe[1]	NAM[3]	NZ[4]	Total
	Notes	**$'000**	**$'000**	**$'000**	**$'000**
Year ended 31 March 2026					
Opening net book value		3,991	-	2,719	6,710
Impairment	6	-	-	(2,702)	(2,702)
Foreign exchange adjustment		(1)	-	(17)	(18)
Closing net book value		**3,990**	**-**	**-**	**3,990**
Segment	3	EMEA	NAM	NZ	

		Europe[1]	IDEST[2]	NAM[3]	NZ[4]	Total
	Notes	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Year ended 31 March 2025						
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

The Group is required to test, on an annual basis, whether goodwill is subject to 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 2027, 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.

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
Year ended 31 March 2026				
Europe	4.25%	58.9%	12.6%	2.0%
NAM	2.0%	62.0%	14.1%	2.5%
NZ	3.0%	69.9%	14.8%	2.5%
Year ended 31 March 2025				
Europe	3.7%	56.9%	12.8%	2.0%
NAM	9.2%	66.0%	13.9%	2.5%
NZ	4.8%	68.7%	14.7%	1.9%

Sensitivity analysis

Europe CGU

Management has determined that there are other reasonably possible changes in the key assumptions on which management has based its determination of Europe CGU's recoverable amounts that would cause the CGU's carrying amount to exceed its 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
Europe	Rate to below 1.9%	Decrease in rate of 4.3%	Increase in rate of 17.0%	Rate to below 0%

14. Trade and other payables

	2026	2025
	$'000	$'000
Trade payables	2,455	1,743
Accruals	1,518	1,589
Translator costs accrual	1,565	1,161
Sundry payables	60	81
	5,598	**4,574**

(2025 comparatives have been restated. Refer note 2b)

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 typically within a matter of months.

15. Contract liability

	2026	2025
	$'000	$'000
Opening balance	3,389	4,875
Recognised as revenue in the year	(3,389)	(3,223)
Payments received in advance	3,856	1,737
	3,856	**3,389**

(2025 comparatives have been restated. Refer note 2b)

Remaining performance obligations
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. These are expected to be delivered within the next 12 months, for which the practical expedient regarding any financing component has been applied.

16. Lease accounting

Right of use assets	Property $'000	Other $'000	Total $'000
Year ended 31 March 2026			
Opening net book value	565	48	613
Additions in the year	901	-	901
Impact of lease modifications	(485)	-	(485)
Amortisation expense	(403)	(19)	(422)
Impairment	(412)	-	(412)
Foreign exchange adjustment	1	2	3
Closing net book value	**167**	**31**	**198**
Year ended 31 March 2025			
Opening net book value	969	63	1,032
Additions in the year	132	-	132
Amortisation expense	(548)	(18)	(566)
Foreign exchange adjustment	12	3	15
Closing net book value	**565**	**48**	**613**

Lease liabilities	Property $'000	Other $'000	Total $'000
Year ended 31 March 2026			
Opening net book value	676	51	727
Non-cash adjustments:			
Additions in the year	820	-	820
Interest expense	28	2	30
Lease modifications	(40)	-	(40)
Foreign exchange adjustment	5	3	8
Cash adjustments:			
Lease payments	(690)	(22)	(712)
Closing net book value	**799**	**34**	**833**
Year ended 31 March 2025			
Opening net book value	1,150	65	1,215
Non-cash adjustments:			
Additions in the year	132	-	132
Interest expense	45	3	48
Foreign exchange adjustment	31	4	35
Cash adjustments:			
Lease payments	(682)	(21)	(703)
Closing net book value	**676**	**51**	**727**

	2026 $'000	2025 $'000
Current	608	520
Non-current	225	207
	833	**727**

Nature of Leased Assets

The Group leases office properties in multiple jurisdictions, with rental adjustments based on inflation or market resets. It also leases items of plant and equipment, which involve only fixed lease payments. The impact of future variable lease payments is considered immaterial.

Lease payments are made monthly. Future lease liabilities are as follows:

- Due within 12 months: $0.631 million (2025: $0.538 million)
- Due after 12 months (within 3 years): $0.228 million (2025: $0.210 million)

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

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

For these exempt leases, payments are recognised as lease expenses on a straight-line basis over the lease term (note 6).

Initial Measurement

Lease liabilities are measured at the present value of lease payments over the lease term, discounted using either:

- The rate implicit in the lease (if readily determinable), or
- The Group's incremental borrowing rate (if not)

Variable lease payments based on an index or rate are included in the lease liability. Other variable payments are expensed as incurred.

The lease liability may also include:

- Penalties for early termination, if termination is reasonably expected

Right-of-use assets are initially measured at the value of the lease liability, adjusted for:

- Lease payments made at or before lease commencement
- Any initial direct costs incurred
- Lease incentives received

Subsequent Measurement

- Lease liabilities are increased by interest and reduced by lease payments
- Right-of-use assets are amortised on a straight-line basis over the lease term or useful life, whichever is shorter

17. Share Capital

	2026	2025
Ordinary capital	**000**	**000**
Balance at beginning of the year	66,774	66,774
Balance at end of the year	**66,774**	**66,774**

	2026 No. of Shares	2025 No. of Shares
Ordinary capital	**000**	**000**
Balance at beginning of the year	67,839	67,839
Balance at end of the year	**67,839**	**67,839**

All shares have been issued, are fully paid, and have no par value.

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.

18. Group subsidiaries

Subsidiary	Country of Incorporation	Ownership Interest 2026	Ownership Interest 2025
Elanex Inc. ("Elanex")	United States of America	100%	100%
Eurotext Translations Limited ("Eurotext")	Ireland	100%	100%
IDEST Communication SA	Belgium	100%	100%
New Zealand Translations Centre Limited ("NZTC")	New Zealand	100%	100%
Straker Europe Limited	Ireland	100%	100%
Straker Germany GmbH ("Eule")	Germany	100%	100%
Straker Japan KK	Japan	100%	100%
Straker Lingotek LLC	United States of America	100%	100%
Straker Spain SL	Spain	100%	100%
Straker Translations Australia Pty Limited	Australia	100%	100%
Straker Translations Inc.	United States of America	100%	100%

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

ComTranslations Inc. is a 100% subsidiary of Straker Spain SL.

Elanex Inc. and Straker Lingotek LLC are 100% subsidiaries of Straker Translations Inc.

Straker Japan KK is a 100% subsidiary of Elanex Inc.

All subsidiary companies are providers of language services and have 31 March reporting dates.

19. 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

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

19.1. 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.

	Assets at Amortised Cost	Liabilities at Amortised Cost	Total Carrying Amount
At 31 March 2026	**$'000**	**$'000**	**$'000**
Financial assets			
Cash and cash equivalents	3,478	-	3,478
Trade receivables	8,937	-	8,937
Sundry receivables	727	-	732
Total	**13,142**	**-**	**13,142**

Financial liabilities			
Trade payables	-	2,455	2,455
Accruals	-	1,518	1,528
Translator costs accrual	-	1,565	1,565
Lease liabilities	-	833	833
Total	**-**	**6,371**	**6,371**

	Assets at Amortised Cost	Liabilities at Amortised Cost	Total Carrying Amount
At 31 March 2025	**$'000**	**$'000**	**$'000**
Financial assets			
Cash and cash equivalents	12,919	-	12,919
Trade receivables	7,330	-	7,330
Sundry receivables	233	-	233
Total	**20,482**	**-**	**20,482**

(2025 comparatives have been restated. Refer note 2b)

Financial liabilities			
Trade payables	-	1,743	1,743
Accruals	-	1,589	1,589
Translator costs accrual	-	1,161	1,161
Sundry payables	-	81	81
Lease liabilities	-	727	727
Total	**-**	**3,558**	**3,558**

(2025 comparatives have been restated. Refer note 2b)

19.2. 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 Consolidated Statement of Financial Position. At each reporting date, trade receivables are reviewed for future expected credit losses in accordance with Note 19 (d).

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 11, include balances more than 30 days past due of $0.1 million (2025: $0.2 million).

A significant amount of cash and cash equivalents is held with the following institutions. All cash and cash equivalents are cash at bank (2025: no change):

		2026	2025
Bank	**Rating**	**$'000**	**$'000**
AirWallex	NR (Unrated)	289	-
AIB	A2	31	11
ANZ New Zealand	A1	442	5,187
Caixa	A2	-	6
Commerzbank	A2	579	270
ING	A2	552	728
NAB	Aa2	19	597
MUFG Bank	A1	47	80
PayPal	A3	-	414
Revolut	NR (Unrated)	345	448
Sabadell	Baa1	490	205
Stripe	NR (Unrated)	7	-
Wise	BBB	39	69
Zions	A2	638	4,904

* Revolut is not currently rated by Moody's. Deposits are insured up to a maximum of €100k per holding and as such any expected credit loss would be immaterial.

Stripe and AirWallex are also not rated by Moody's. Both organisations place safeguarded customer funds in accounts with licensed banks or high-quality financial institutions. Safeguarded funds are legally ring-fenced. The Group limits the level of funds held by thee non-rated organisations.

19.3. 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.

	Current	Due 1-6m	Due 7-12m	Due 13-24m	Due 25-36m	Total	Total Carrying Amount
At 31 March 2026	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Trade payables	2,455	-	-	-	-	2,455	2,455
Accruals	1,518	-	-	-	-	1,518	1,518
Translator costs accrual	1,565	-	-	-	-	1,565	1,565
Sundry payables	60	-	-	-	-	60	60
Lease liabilities	-	354	277	228	-	859	859
Total	**5,598**	**354**	**277**	**228**	**-**	**6,457**	**6,457**

	Current	Due 1-6m	Due 7-12m	Due 13-24m	Due 25-36m	Total	Total Carrying Amount
At 31 March 2025	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Trade payables	1,743	-	-	-	-	1,743	1,743
Accruals	1,589	-	-	-	-	1,589	1,589
Translator costs accrual	1,161	-	-	-	-	1,161	1,161
Sundry payables	81	-	-	-	-	81	81
Lease liabilities	-	362	176	127	83	748	748
Total	**4,574**	**362**	**176**	**127**	**83**	**5,322**	**5,322**

19.4. Financial risk management

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	
	2026	**2025**	**2026**	**2025**
AUD	0.8915	0.9115	0.8344	0.9094
EUR	0.5071	0.5537	0.4988	0.5253
USD	0.5872	0.5915	0.5717	0.5716

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

	2026	2025
AUD	**$'000**	**$'000**
Cash and cash equivalents	153	454
Trade receivables	396	131
Trade payables	(11)	(29)
Total	**538**	**556**

EUR	2026 $'000	2025 $'000
Cash and cash equivalents	2,000	1,686
Trade receivables	875	799
Trade payables	(826)	(684)
Total	**2,049**	**1,801**

USD	2026 $'000	2025 $'000
Cash and cash equivalents	1,142	7,347
Trade receivables	7,522	5,900
Trade payables	(1,354)	(873)
Total	**7,310**	**12,374**

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.

	2026 $'000	2025 $'000
12.5% weakening in NZD/EUR (2024: 12.5%)	292	257
5% strengthening in NZD/EUR (2024: 5%)	(98)	(86)
12.5% weakening in NZD/USD (2024: 12.5%)	1,044	1,768
7.5% strengthening in NZD/USD (2024: 7.5%)	(510)	(863)
12.5% weakening in NZD/AUD (2024: 12.5%)	77	79
5% strengthening in NZD/AUD (2024: 5%)	(26)	(26)

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.

20. Related party transactions

The Group's related parties include its subsidiary companies as disclosed in Note 18. All related party transactions within the Group are eliminated on consolidation.

20.1. Transactions with other related parties during the normal course of business

Other than transactions with directors and key management personnel disclosed in Note 20 (b), no related party transactions were noted during the year (2025: $1,979). These transactions were conducted on an arm's length basis.

20.2. Related party transactions

2026	Director Fees	Employee Benefits - Defined Contribution Plan	Salary & Bonus	Total $'000
Amanda Cribb	96	-	-	96
Grant Straker	4	28	953	985
Helen Foley[1]	77	-	-	77
Linda Jenkinson	135	-	-	135
Ron Heinz[2]	46	-	-	46
Steven Bayliss	96	-	-	96
Former directors				
James Johnstone[3]	7	-	-	7
Stephen Donovan[4]	32	-	-	32
Total	**493**	**28**	**953**	**1,474**

2025	Director Fees	Employee Benefits - Defined Contribution Plan	Salary & Bonus	Total $'000
Amanda Cribb	93	-	-	93
Grant Straker	-	17	552	569
Linda Jenkinson	105	-	-	105
Stephen Donovan	76	-	-	76
Steven Bayliss	93	-	-	93
Former directors				
Heith Mackay-Cruise[5]	39	-	-	39
James Johnstone[3]	78	-	-	78
Total	**484**	**17**	**552**	**1,053**

[1] Joined as director 1 May 2025 and resigned 4 June 2026
[2] Joined as director 1 September 2025
[3] Ceased as director 1 May 2025
[4] Ceased as director 20 August 2025
[5] Ceased as director 1 July 2024

20.3. Key management personnel

	2026 $'000	2025 $'000
Directors' fees	493	484
Short-term employee benefits - defined contribution plan	38	34
Short-term employee benefits - salary and bonus	1,273	1,122
Share option expenses	75	94

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. For the year ended 31 March 2026, KMP comprised the Non-Executive Directors (including the former Chief Executive Officer), the Co-Chief Executive Officers, the Chief Operating Officer, and the Chief Financial Officer.

Leadership Transition

Grant Straker stepped down as Chief Executive Officer and Managing Director on 20 March 2026 and continues to serve the Group as a Non-Executive Director and Chair of the AI and Technology Board Committee.

David Sowerby and Indiver Nagpal were appointed as Co-Chief Executive Officers effective 20 March 2026. Prior to this appointment, they held the roles of Chief Revenue Officer and Chief Innovation Officer, respectively (which were not designated as KMP roles in FY25).

Merryn Straker, Chief Operating Officer, stepped down from her role in May 2026. David Ingram, Chief Financial Officer, stepped down from his role In July 2026. As these resignations both occurred after the reporting date, their remuneration for the full FY26 period is included in the KMP disclosures, but their departure is noted here to provide a current representation of the Group's leadership structure at the date of this report.

21. 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.

For options subject only to service-based vesting conditions, the fair value is estimated using the Black-Scholes pricing model. For the 500,000 options subject to additional market-based vesting conditions (specifically the achievement of a target share price), the fair value is estimated using either the Binomial or Monte Carlo models, as appropriate for the specific terms of the grant. These models reflect the conditions attached to each grant, including expected volatility and the risk-free interest rate.

Options vest subject to continued employment. A total of 500,000 options are subject to market-based vesting conditions requiring specific share price targets to be achieved. The fair value of these awards is recognised as an expense over the vesting period provided service conditions are satisfied, regardless of whether the market hurdle is met. Upon the satisfaction of vesting conditions, options remain exercisable until their respective expiry dates, the latest of which is 11 July 2034.

When options are exercised, the amount in the share option reserve relating to those options, together with the exercise price paid, is transferred to share capital.

Reconciliation of outstanding options	Number of Options	Average Exercise Price (NZD)
Balance at 31 March 2024	**4,496,212**	**$1.41**
Issued during the year	1,585,000	$0.48
Lapsed during the year	(647,722)	$1.32
Balance at 31 March 2025	**5,433,490**	**$1.16**
Issued during the year	1,648,600	$0.48
Lapsed during the year	(444,386)	$1.37
Balance at 31 March 2026	**6,637,704**	**$1.16**

Share-Based Payment Expense and Valuation Assumptions
No options were exercised during the year (2025: nil).

The cost of options expensed during the year was $0.134 million (2025: $0.167 million).

The fair value of share-based payment arrangements is determined at the grant date. The valuation of standard options was conducted using the Black-Scholes pricing model, while the fair value of performance rights subject to market-based vesting conditions was determined using a Monte Carlo simulation. The key assumptions used in the valuation of options granted were as follows:

	2026	2025
Share Price at grant date (NZD)	$0.40 to $0.47	$0.45 to $0.53
Exercise Price (NZD)	$0.45 to $0.49	$0.42 to $0.51
Expected Volatility	30% to 60%	30.00%
Expected Life	3.29 to 4 years	3.75 to 4 years
Risk Free rate	3.50% to 4.53%	4.24% to 4.61%
Black out factor	25.00%	25.00%

Directors

The following directors hold the following number of options as at reporting date:

	2026		2025	
	Exercise Price (NZD)	Number of Options	Exercise Price (NZD)	Number of Options
Linda Jenkinson	$0.42	300,000	$0.42	300,000
Grant Straker	$1.09	1,055,220	$1.28	954,710

Key management personnel

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

	2025		2024	
	Exercise Price (NZD)	Number of Options	Exercise Price (NZD)	Number of Options
Key management personnel	$1.03	2,731,560	$1.28	1,913,380

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

	2026	2025
	$'000	$'000
Net loss after tax for the year	**(15,261)**	**(10,287)**
Adjusted for:		
Non-cash items		
Amortisation of capitalised software development	2,375	5,176
Amortisation of acquired software	-	2,603
Amortisation of acquired intangibles	-	928
Amortisation of right of use assets	422	566
Depreciation of plant and equipment	145	113
Impairment (recovery)/loss on trade receivables	183	(634)
Impairment of plant and equipment	153	-
Impairment of right of use assets	412	-
Impairment loss on intangibles	5,698	6,335
Share options	134	166
Gain on derecognition/modification of leases	(50)	-
Taxation	(19)	(341)
Foreign currency loss/(gain)	803	268
Non-operating activity items		
Interest on lease liabilities	30	48
Impact of changes in working capital items		
Movement in debtors, prepayments and other debtors	(3,230)	1,611
Movement in contract liabilities	399	(1,511)
Movement in creditors, accruals and other payables	1,362	(1,482)
Net cash flow from operating activities	**(6,444)**	**3,559**

Non-cash investing and financing activities

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

Non-cash transactions included in financing activities related to leases. Note 16 provides a reconciliation of the movement in lease liabilities.

23. Events after the reporting period

23.1. Discovery of fraudulent activities in Straker Inc

Subsequent to the reporting date the Group discovered fraudulent transactions in its subsidiary Straker Inc (refer to note 2b). $793,000 of misappropriated funds were taken post the reporting date in addition to the misappropriated funds taken in the 2026 financial year and prior periods.

In addition, since the reporting date the Group has incurred investigation costs and other costs of $1.6 million in investigating and addressing the impact of this fraud (note 2b(ii)). Further costs are expected to be incurred in responding to the fraud.

As these costs were incurred post the reporting date they will be recognised in the 2027 financial year.

There were no other non-adjusted significant events that would materially impact the financial statements.

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 March 2026

Overview

The Board of Directors of Straker Limited ('Straker' or the 'Company') 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 2026
- 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.

The Board charters, corporate governance principles and policies are available on Straker's website at www.straker.ai.

This Statement has been prepared in accordance with ASX Listing Rule 4.10.3, is current as at 27 August 2026 (unless otherwise indicated), and has been approved by Straker's Board of Directors.

Principle 1:

Lay solid foundations for management and oversight

A listed entity should disclose:

- the respective roles and responsibilities of its board and management; and
- those matters expressly reserved to the board and those delegated to management.

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

Straker's Board of Directors (the 'Board') is the body responsible for the overall corporate governance and decision making within the Company. While Straker's executive leadership team (comprising key senior executives who hold delegated authority for the strategic, financial, and operational leadership of the Company) 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 executive leadership team, and to ensure that the longer-term strategic objectives of the Company continue to be met.

To promote efficiency, the Board may from time-to-time delegate certain functions to its executive leadership team. Actions delegated to the executive leadership 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. The Board has delegated to the Co-Chief Executive Officers 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 the Board and regulates internal Board procedures. Details about the Company's Board and the Board Charter 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, bankruptcy history and a valid Australian Director Identification Number. 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 to elect or re-elect that director candidate.

Terms of appointment of Directors and senior executives
All newly appointed Directors 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 regards 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. Consistent with this policy, following his transition from an executive role on 20 March 2026, Mr. Grant Straker entered a transitional Non-Executive Director letter of appointment outlining his revised responsibilities and his role as Chair of the AI and Technology Committee, which supersedes his prior executive employment contract.

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
Mr. David Ingram served as Straker's Company Secretary during the Reporting Period and was appointed on 19 October 2023. Following Mr. Ingram's resignation, Ms. Yushra Haniff was appointed the Company Secretary on 9 July 2026 and is Straker's current Company Secretary. The Company Secretary is appointed by the Board and is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board, including to ensure the following tasks are completed:

- 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; and
- ensuring that the matters discussed at Board and committee meetings are accurately captured in the minutes of those meetings.

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 adopted a formal Diversity and Inclusion Policy upon the Company's listed to the ASX in October 2018. This policy was revised and replaced in August 2025 with a new 'Diversity, Equity and Inclusion Policy, a copy of which can be found on the Company's website.

As at 31 March 2026, the respective gender of employees within Straker were as follows:

	Female	Male
Board of Directors	3	3
Executive Leadership Team	2	4
Other managers	10	19
All other employees	56	57
Total	**71**	**83**

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 People and Culture Committee), 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 People and Culture Committee periodically evaluates the performance of Straker's senior executives in accordance with the provisions of Straker's People and Culture Committee Charter, which is available on Straker's website. The Chair, with feedback from all non-executive directors, provides formal feedback to the Co-Chief Executive Officers on an annual basis.

The Board's time and attention was substantially directed toward the fraud investigation, remediation programme, and related governance matters, and it considered it more appropriate to defer the evaluation until that process had concluded.

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 to manage the requirements of Straker's business and the industry and market in which it operates.

People and Culture Committee
Straker's People and Culture Committee is tasked with overseeing and making recommendations to the Board on the nomination, selection, and appointment of Directors to the 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 People and Culture Committee has three members, with current members being Steven Bayliss, Ron Heinz, and Linda Jenkinson (a majority all of whom are Independent Non-Executive Directors). The Committee is chaired by Steven Bayliss who is an Independent Director of Straker, in accordance with the requirements of the ASX Corporate Governance Principles and Recommendations. The People and Culture 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.

AI and Technology Committee (AIT)
On 20 March 2026, the Board approved the establishment of the AIT Committee to oversee Straker's technological roadmap and AI capabilities. The Committee's charter, formal membership, and operational meetings are being finalized, with full governance activities commencing in FY27 under the chairmanship of Non-Executive Director Grant Straker.

Skills and experience of the Board
Straker recognises that its Board should represent a diverse range of skills, experience and attributes to ensure effective decision-making and governance of the Company. The Board 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;
- Corporate Governance & ESG;
- Sales and Marketing;
- Digital Media and Communications;
- Cultural competence, with a focus on diversity, equity, and inclusion;
- Employee engagement and talent retention.

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

The Board reviews on an annual basis the skills, experience and attributes held by the Directors and whether the Board group 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 develop and maintain the skills and knowledge of its directors.

Board composition and independence

As at 31 March 2026, the Board comprised of the following Directors:

Name	Position	Appointment Date	Cessation Date
Linda Jenkinson	Chair and Independent Non-Executive Director	1 July 2024	Current
Grant Straker[1]	Non-Executive Director	21 December 1999	Current
Ron Heinz	Independent Non-Executive Director	1 September 2025	Current
Amanda Cribb	Independent Non-Executive Director	20 July 2020	Current
Steven Bayliss	Independent Non-Executive Director	24 August 2022	Current
Helen Foley[2]	Non-Executive Director	1 May 2025	4 June 2026

[1] Grant Straker transitioned from Managing Director & Chief Executive Officer to Non- Executive Director role effective 20 March 2026.

[2] Helen Foley resigned as a Non-Executive Director on 4 June 2026, subsequent to the end of the Reporting Period.

Board changes during the Reporting Period include:

- James Johnstone ceased to be a Non-Executive Director effective 1 May 2025.
- Stephen Donovan ceased to be a Non-Executive Director effective 20 August 2025.

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 2026 and for the full financial year ending on that date, being Linda Jenkinson, Amanda Cribb, Ron Heinz, and Steven Bayliss.

Grant Straker and Helen Foley were regarded as non-independent based on the ASX criteria in Principle 2 of the ASX Recommendations.

The People and Culture 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 the Board 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, Linda Jenkinson, is an Independent Non-Executive Director and is not the Managing Director nor Chief Executive Officer.

Induction of new Directors and ongoing professional development

Where a new Director is appointed to the Board, Straker's Chairperson will arrange induction sessions with the new Director to brief them on the background and growth story of the Company and advise the new Director on the 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 2026 and the number of meetings attended by each of the Directors is set out in the table below:

Director	Board		Audit & Risk		People & Culture	
	Held[1]	Attended	Held[1]	Attended[2]	Held[1]	Attended[2]
Linda Jenkinson (Board Chair)	13	13	6	4	4	4
Grant Straker (Transitional NED)	13	13	-	5	-	3
Ron Heinz (Appointed 1 September 2025)	9	9	-	-	-	1
Stephen Donovan (Retired 20 August 2025)	5	5	3	3	-	-
Amanda Cribb (ARC Chair)	13	12	6	6	-	-
Steven Bayliss (PCC Chair)	13	13	-	1	4	4
Helen Foley (Appointed 1 May 2025 and Retired 4 June 2026)	13	13	3	3	4	4
James Johnstone (Retired 1 May 2025)	1	1	-	-	-	-

[1] Held represents the number of scheduled meetings held while the relevant director was a member of the Board or the relevant Committee.

[2] Committee meetings are open to all directors to attend.

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 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, the Board 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 the Board, 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 Committee receive 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 Committee
Straker's Audit and Risk Committee is tasked with reporting to the Board on the integrity of Straker's financial reporting process, its internal and external audit functions, and its internal control and risk management process.

During the Reporting Period in accordance with the requirements of the ASX Corporate Governance Principles and Recommendations, the Audit and Risk Committee comprised at least three Non-Executive Director members, being Amanda Cribb, Linda Jenkinson and Helen Foley or Stephen Donovan (each serving for part of the Reporting Period).

After the Reporting Period and following Helen Foley's resignation, the Audit and Risk Committee comprises of two Non-Executive Director members, Amanda Cribb and Linda Jenkinson. The Board is actively considering alternate arrangements to ensure compliance with the ASX Corporate Governance Principles and Recommendations. In the interim the Board considers the current Audit and Risk Committee composition appropriate having regard to the Company's size and circumstances.

The ASX Corporate Governance Principles recommend that the Audit and Risk Committee will be chaired by an independent Director. The Board 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 Committee. The relevant qualifications and experience of the members of the Audit and Risk Committee are available in the Annual Report.

The Audit and Risk Committee Charter set out the policies and practices of the Board regarding the financial Audit and Risk processes of Straker and is available on the Straker's website.

Since the identification of the fraud at Straker Translations Inc. in May 2026, the Audit and Risk Committee has overseen the Company's response, including regular engagement with external advisors including legal counsel, auditor and forensic accountants; oversight of the emergency containment measures implemented across the Group's banking and payment systems; implementing preliminary additional processes and controls to the control environment and system access arrangements, and oversight of the resulting accounting and financial reporting implications, including the FY25 restatement and FY26 loss recognition. The Committee continues to oversee the Group's remediation programme.

Declaration of Co-CEOs 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 Chief Executive Officers (CEO) and Chief Financial Officer (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 Co-CEOs provided to the Board (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 Co-CEOs has been formed based on a sound system of risk management and internal control, which is operating effectively.

Following the resignation of Straker's Chief Financial Officer effective 29 June 2026, the Board has continued to take a direct and hands on role on all financial matters during the transition following the resignation of our Chief Financial Officer, and a search for a permanent appointment is close to completion.

Impact of the FY26 fraud on corporate reporting integrity
During FY27 the Company identified fraudulent activity at its US subsidiary, Straker Translations Inc., which has affected the timing and content of the Company's financial reporting. In particular, trading in the Company's securities was suspended on ASX pending completion of the investigation and finalisation of the FY26 consolidated financial statements, and a delay to the lodgement of the Company's Appendix 4E (Preliminary Final Report) and FY26 Annual Report. As a consequence of the material misappropriations identified in the investigation, the FY25 comparatives presented in the consolidated financial statements for the year ended 31 March 2026 have been restated and fraud-related losses identified as occurring on or before 31 March 2026 have been recognised in the FY26 consolidated financial statements. Further detail is set out in the notes to the FY26 consolidated financial statements.

At the date of this Statement, the Company is in the process of validating and strengthening the internal control environment and associated policies and risk management.

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 the Board and its employees with these continuous disclosure obligations, the Board 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 (https://investors.straker.ai/governance/), from which all relevant corporate governance information about Straker can be accessed by the general public.

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 the Board 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 cannot 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 Committee
As outlined above (see Principle 4), Straker's Audit and Risk 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 Committee.

Annual review of Straker's risk management framework
The Audit and Risk 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, the Board 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.

Where it considers necessary, the Board 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.

Following the identification during FY27 of fraudulent activity at the Company's US subsidiary, Straker Translations Inc., the Audit and Risk Committee and the Board is undertaking a review of the Group's risk management and internal control framework.

During FY27, following the release of the FY26 financial statements, the Board and Audit & Risk Committee intends to continue to review and validate the appropriateness of the internal control environment associated policies and risk management going forward.

Material exposure to risk
The Board 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; and country specific risks in new unfamiliar markets.

- **Cyber Risks**

Straker 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 makes a conscious effort to continually refine its approach towards information security, risk appetite and accountability frameworks. The Company is ISO 9001 and ISO 27001 certified. Additionally, its data centres maintain ISO 27001 certification alongside SOC 1 and SOC 2 (System and Organisation Controls) reporting compliance.

- **Environmental & Social sustainability risks**

Straker 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.

- **Fraud and financial crime risk**

The business is exposed to the risk of fraud and financial crime, including through the actions of employees, contractors, or third parties. Following the discovery of the fraud at Straker Translations Inc in May 2026 after the end of the Reporting Period, and the associated impact on the FY26 consolidated financial statements (including recognition of the fraud-related losses identified as occurring on or before 31 March 2026, and the restatement of the FY25 comparatives), this risk is now regarded as a material business risk for the Group. Further detail on this matter and the Company's response to it is set out in the notes to the FY26 consolidated financial statements, the Company's market announcements and this Corporate Governance Statement (including Principals 4 and 7). During FY27, following the release of the FY26 financial statements, the Board and Audit & Risk Committee intends to continue to review and validate the appropriateness of the internal control environment associated policies and risk management going forward.

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.

The Straker Board oversees executive remuneration and non-executive director remuneration arrangements. It has established the People and Culture Committee to assist it in this regard. The Committee helps to bring the focus and independent judgement needed for remuneration decisions.

The People and Culture Committee's responsibilities are set out in its Charter. Under its Charter, the Committee has unrestricted access to all staff and relevant records of the Straker Group it considers necessary to fulfil its obligations. It also has the right to seek explanations and additional information from management and auditors. During the Reporting Period in accordance with ASX Corporate Governance Principles and Recommendations, the People and Culture Committee, comprises of three members and majority of whom are independent directors, being Steve Bayliss, Linda Jenkinson and Ron Heinz. The Committee Chair Steve Bayliss is an independent director and may directly seek independent professional advice at Straker's expense as required for the Committee to fulfil its responsibilities.

The Committee met 4 times during FY26 and the individual attendance of its members at those meetings are disclosed in the table above. Details of executive and director remuneration and Straker's remuneration policies are disclosed in the Remuneration Report.

The Company has a Securities Trading Policy, which is available on the Company's website. The policy prohibits the participants in the Company's equity-based remuneration scheme from entering any transactions which limit the economic risk associated with participating in the scheme.

REMUNERATION REPORT

Chair's Letter

On behalf of the Board, I am pleased to present Straker's FY26 Remuneration Report. This report outlines our remuneration strategy and framework for our Co-Chief Executive Officers and Directors.

To show our commitment to remuneration transparency to shareholders, Straker has committed to complete disclosure reporting beyond the requirements of New Zealand law.

This report includes an overview of the changes that have been implemented over FY26 to prepare us for an AI-led – lean – high-performance culture. We also detail the contractual entitlements of our Co-Chief Executive Officers, including participation in our short- and long-term incentive plans. Further, we set out the purpose and details of our short- and long-term incentive plans, including the key metrics that determine their payout.

It is important to note that Remuneration Initiatives are guided by our market performance and by our EMPLOYEE REMUNERATION POLICY, and they are reviewed annually. Key elements of the policy include:

- Straker is a global technology-driven company focused on innovation and growth opportunities. We compete with peers in the global localisation business and other technology companies developing advanced machine learning, AI, and language models. As such, regardless of the functional area, we must compete to attract and retain global talent with a competitive EVP (employee value proposition).
- The overall EVP and accompanying policies are the responsibility of the Chief People Officer and the CEO's of Straker. Strategy, Policy, and Reporting Governance are overseen by the Board People & Culture Committee and approved by the Straker Board.
- As a global company, Straker has employees situated in multiple markets around the world. While our employment principles are global, country-specific variances will exist to meet the local market conditions, cost-of-living, competitive pressures, local practices, and legislated requirements.
- Employee benefits must be aligned to individual performance, company performance, and shareholder outcomes.
- We will undertake peer benchmarking annually to ensure we are following best practice and remain broadly competitive (Base/STI/ LTI) in key senior management, executive roles, and board roles.
- As a guiding principle, we aim to be in the 80-100 percentile range of the (country-specific) weighted average of comparable roles across a full TEC (total employment cost) bundle. Where a role falls outside this range (high or low), it may not be possible to create alignment in a twelve-month cycle due to financial and other constraints. We target to achieve policy alignment over a maximum three-year period.
- Straker aims to pay all employees equitably. There will be variances across comparable roles due to tenure and external recruitment market changes, but these should not be gender-based nor reflective of any other type of bias. In advance of the annual review process, we will audit comparable internal roles to ensure no material bias or disparities (other than market comparisons, objective performance-based assessments, and regional variances) exist in pay levels across our employees.
- Employee benefits will also consider appropriate separation, severance, and notice periods to ensure all aspects of the employee lifetime relationship are appropriately managed for the benefit of employees, the company, and shareholders.

A review was undertaken during the year on equitability including gender and other factors. No material discrepancies were highlighted.

Each Executive role was benchmarked using two different data sources and across multiple comparable companies. This information, along with company performance, was used in the annual review process.

Board Fees were also reviewed during the year and, consistent with the last three years, no changes were recommended to base fees.

Further details on key aspects of our remuneration policies, strategy, and approach are included in the report below.

Steven Bayliss
Chair, People & Culture Committee

FY26 Context

There is no doubt that FY26 has been a challenging year. The traditional language translations business model – including price and margin realisation – continues to be under pressure as generalist AI tools increase in usage. But, despite this pressure, the need for trusted communication across geographic, cultural, and language boundaries continues to grow. And importantly, Straker hasn't been resting on past ways of working.

We've deepened our moats in key customers, verification, custom AI-models, human quality assurance, and innovation. Tokenisation of revenue continues to grow. Our new products have been extensively tested and iterated. SwiftBridge, in particular, is beginning to gain profile and traction in Japan. Our IBM relationship has never been deeper and stronger. And our teams have been extensively reorganised to allow us to move faster and adapt to an AI-first approach to everything we do.

This has also meant that we needed to make some important decisions to ensure we are well-positioned for the future:

- Short-term incentive goals were not met and no payout was approved.
- Beyond the promotion of David Sowerby and Indy Nagpal to Co-CEO's, no Executive (Tier 2) pay increases have been approved for FY27.
- Total employee numbers declined during the year from 171 to 130 – representing a 24% reduction. In addition to reducing overhead, this is also reflective of our move to AI-first – including the way we work – with many traditional workflows automated. We will continue to challenge ourselves to lean the organisation further, without affecting customer outcomes and quality, through further AI-automation.
- Our product team was reviewed based on AI-first thinking, innovation speed, and accuracy. The result of this review included a complete refresh of the team, starting with new fractional leadership from an experienced global technology expert, Nake Sekander (Foxit alum).
- Ron Heinz – a global technology expert based in the US with deep connections into IBM (among others) – was welcomed to the Board.
- After a long and successful executive career, Grant Straker successfully transitioned day-to-day operations to our new Co-CEO's, David and Indy. Grant has been appointed to the Board and as Chair of the newly formed AI & Technology Committee where he will continue to challenge and stretch the business as a globally recognised AI thought-leader.
- Two further Executive leaders departed after the close out to the year. COO Merryn Straker, and CFO David Ingram.

Remuneration Framework

Our remuneration strategy is designed to balance short- and long-term remuneration of our senior executives with the performance of the Company via a robust pay-for-performance framework. The key principles of this framework are set out in the table below.

	Description	Purpose
Fixed Remuneration	• Base Salary • KiwiSaver • Benefits • Straker aims to position fixed remuneration between the 80 and 100 percentiles of the relevant	• Market competitive reward for day job duties. • Reflects skills, experience, and performance.
Short Term Incentive	• At-risk annual cash bonus based on performance against a scorecard of agreed company measures and individual objectives.	• Rewards execution of key short-term company objectives and individual behaviours.
Long Term Incentive (Employee Share Option Plan*)	• At-risk options. • Delivered on an ad hoc basis in a manner that ensures continued and sufficient alignment to Company share price.	• Rewards execution of key long-term company growth and operational milestones. • Promotion of sustained shareholder value creation.

Short Term Incentive Goals

STI participation rates were reviewed across the Executive and benchmarked across peer group companies. All members of the Executive Team are aligned at 25% of base. The Co-CEO's have maintained this level of short-term incentive, but a new structure, outlined below, allows for over-achievement.

FY27 Structure

STI framework has been refined versus FY26. The "Pivot to AI" has transitioned from design into its execution phase; urgency and tangible results are now what matter most. As such, our new STI framework simplifies this focus and introduces Upside Potential to incentivise "heroic" outperformance in AI revenue and cash efficiency.

Key Structural Evolutions:

- **Performance-to-Payout Leverage:** We have introduced a "Sharper Slope." Achievement beyond 100% of the budget results in an accelerated payout, capping at a 150% Payout for significant over-performance.
- **The FCF "Funding Gate":** Positive Free Cash Flow is now a Gate . If the company is FCF negative, the total STI pool is capped or forfeited, ensuring bonuses are only paid out of generated liquidity.

The table below defines the performance levels required to trigger different payout amounts.

Category	Weighting	Threshold	Target	Stretch/Max	Performance Metric
Growth	50%	90% of Budget	**100% of Budget**	115% of Budget	Revenue from SwiftBridge, Verify, and Custom Models
Profitability	25%	90% of Budget	**100% of Budget**	115% of Budget	Maintaining cost discipline during scale-up
Sustainability	25%	100% with **Gate** (positive) impact on other calcs	**Budgeted FCF**	+$1.0m over Budget	Operating cash minus Capex, R&D, and Leases
Total	100%				

Payout Mechanics & Tiering Clauses

A. Interpolation (Tiering) Clause

Payouts between the defined levels (Threshold to Target, and Target to Stretch) shall be calculated using straight-line interpolation. This ensures that every increment of performance improvement is rewarded:

1. Entry Tier (Threshold to Target): For the Growth category, every 1% of revenue achievement above Threshold (90%) increases the payout by 5.0% until Target (100%) is reached.
2. Upside Tier (Target to Stretch): For the Growth category, every 1% of revenue achievement above Target (100%) increases the payout by 3.33% until the Stretch/Max (115%) is reached.

B. The FCF Sustainability Gate & Outperformance Clause

The Free Cash Flow metric acts as a "Governor" on the entire scheme:

1. Negative FCF: Total STI payout is capped at 50% of Target, regardless of Revenue or EBITDA success.
2. Positive FCF (The Gate): Opens the full payout potential (100% to 150%).
3. Outperformance Clause: For every $0.1 million in Free Cash Flow generated in excess of the board-approved FY27 Budget, the Sustainability component payout shall increase by 5% (absolute), capped at the 150% Max level.

Long Term Incentive

The current share option plan is not currently working in the way it is intended. This isn't because the system is fundamentally flawed; rather an eroding share price has placed the vast majority of existing options issued underwater to such a degree that they are unlikely to yield material returns in the foreseeable future.

Shareholders will rightly observe that this is appropriate given the share price depreciation. However, with the reset that has been taking place at Straker, and with new leaders in place, we believe it is in the best interest of the company and its shareholders that the LTI scheme drives and rewards performance appropriately.

No conclusion has been reached, and this is expected to be developed in FY27, but the Board is currently exploring options to modify the scheme to ensure it delivers a better outcome for all stakeholders. Once a recommendation has been completed, it will follow the appropriate stages of review, risk assessment, and approval.

David Sowerby

Co-Chief Executive Officer – contractual entitlements

	Details	
Base Salary FY27	Euro€210,000 Superannuation entitlements are paid in addition to Base Salary.	
Short Term Incentive	**Plan**	Short-Term Incentive Plan
	Target Opportunity	25% of Base Salary
	Frequency	Annual.
	Performance Measures	Overall Revenue versus Target AI Product Revenue Key Customer Success EBITDA versus Target Free Cashflow Positive
	Target Setting	AI Product Revenue
	Forfeiture	Key Customer Success
Long Term Incentive	**Plan**	Employee Share Option Plan
	Opportunity	Awarded on an ad-hoc basis as determined by the Board.
	Performance Measures	Inbuilt share price targets as determined by the Board.
	Performance Period	Determined by the Board.
	Forfeiture	Unvested options are subject to continued employment.
Notice Period	3 months.	
Base Salary FY26	Euro€180,000	

Indy Nagpal

Co-Chief Executive Officer – contractual entitlements

	Details	
Base Salary FY27	NZ$390,000 KiwiSaver entitlements are paid in addition to Base Salary.	
Short Term Incentive	**Plan**	Short-Term Incentive Plan
	Target Opportunity	25% of Base Salary
	Frequency	Annual.
	Performance Measures	Overall Revenue versus Target AI Product Revenue Technology/AI leadership and security EBITDA versus Target Free Cashflow Positive
	Target Setting	Determined annually by the Board.
	Forfeiture	Subject to continued employment to the payment date and Straker malus and clawback policies.
Long Term Incentive	**Plan**	Employee Share Option Plan
	Opportunity	Awarded on an ad-hoc basis as determined by the Board.
	Performance Measures	Inbuilt share price targets as determined by the Board.
	Performance Period	Determined by the Board.
	Forfeiture	Unvested options are subject to continued employment.
Notice Period	3 months.	
Base Salary FY26	NZ$330,000	

Minimum Shareholding Requirements - Board

To strengthen alignment between shareholders and the Straker Board, each Director is required to hold a minimum of 100% of their pre-tax fees in Straker shares within 3 years of their appointment to the Board.

All Directors who have reached the three-year mark have met their required shareholding levels.

Non-executive Director Fees

Director fees were reviewed as part of the annual REM review cycle. As with last year, no increases have been approved for Director Fees for FY26. As such, the table below is unchanged between FY24, FY25, and FY26, with the exception of adding a new committee and chair.

Role	Fee
Chair	A$130,000
Board	A$70,000
Audit & Risk Committee (ARC) Chair	A$15,000
Audit & Risk Committee Member	-
People & Culture Committee (PCC) Chair	A$15,000
People & Culture Committee Member	-
AI & Technology Committee Chair	A$15,000
AI & Technology Committee Member	-
Aggregate Fee Pool	A$600,000

Name	Chair Fee	Base Fee	Chair of ARC	Chair of PCC	Chair AI & Tech	Total
Linda Jenkins	A$130,000					**A$130,000**
Amanda Cribb		A$70,000	A$15,000			**A$85,000**
Steve Bayliss		A$70,000		A$15,000		**A$85,000**
Helen Foley		A$70,000				**A$70,000**
Ron Heinz		A$70,000				**A$70,000**
Grant Straker		A$70,000			$15,000	**A$85,000**

All director fees set out above are inclusive of superannuation entitlements.

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	Interest	% of Ordinary Shares Owned 31 March 2026	% of Ordinary Shares Owned 31 March 2025
Amanda Cribb	Ordinary Shares	0.10%	0.10%
Grant Straker	Ordinary Shares	9.55%	9.51%
Helen Foley	Ordinary Shares	0.03%	Not a director
Linda Jenkinson	Ordinary Shares	0.00%	0.00%
Ron Heinz	Ordinary Shares	0.77%	Not a director
Steven Bayliss	Ordinary Shares	0.14%	0.14%

During the current year, Grant Straker acquired 21,893 ordinary shares.

Directors' remuneration for the current and prior year is disclosed in Note 20 of the financial statements for the year ended 31 March 2026.

ADDITIONAL DISCLOSURES

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

	2026	2025
$100,001 to $110,000	3	4
$110,001 to $120,000	10	8
$120,001 to $130,000	2	3
$130,001 to $140,000	5	7
$140,001 to $150,000	2	7
$150,001 to $160,000	3	-
$160,001 to $170,000	3	3
$170,001 to $180,000	5	4
$180,001 to $190,000	-	2
$190,001 to $200,000	2	1
$200,001 to $210,000	1	1
$210,001 to $220,000	1	2
$220,001 to $230,000	1	-
$230,001 to $260,000	-	1
$260,001 to $270,000	-	2
$270,001 to $280,000	1	1
$280,001 to $300,000	1	1
$300,001 to $350,000	1	-
$350,001 to $370,000	2	2
$370,001 to $390,000	1	1
$410,001 to $430,000	1	-
$480,001 to $490,000	-	1

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 2026.

Donations

The Group made donations during the year of $nil (2025: nil).

Equity holding of all Directors

Director	Number of shares	Number of options
Non-executive Directors		
Amanda Cribb	64,298	-
Grant Straker	6,143,342	1,055,220
Helen Foley	18,233	-
Linda Jenkinson	-	300,000
Ron Heinz	494,511	-
Steven Bayliss	90,000	-

Entries recorded in the interests register

Straker maintains an interests register in accordance with the Companies Act 1993 (New Zealand).

Directors' Interests

Directors disclosed the following relevant interests, or cessations of interest, during FY25.

Director / Entity	Relationship
Amanda Cribb	
Pohara Developments Ltd	director
Redshield Security Ltd	CFO
West Auckland Trust Services	director
Grant Straker	
Aspire NZ Seed Fund Ltd	director
Bonspiel Technology Ltd	director and shareholder
New Zealand Growth Capital Partners Ltd	director
Slicify Ai Ltd	director and shareholder
WNT Ventures GP4 Ltd	limited partner
Helen Foley	
Bailador Technology Investments Ltd	Chief Financial Officer and Company Secretary
DASH Technology Group Ltd	board observer
Macto Consulting Pty Ltd	director and shareholder
Linda Jenkinson	
Massey Foundation - US	trustee
Medadvisor Ltd	ceased to be director
Mevo Ltd	ceased to be director
Te Auaha Ltd	shareholder and managing director
Vast Holdings, Inc	director and CEO
Vinyl Group Ltd	ceased to be director
Ron Heinz	
1Kosmos	director and shareholder
Oquirrh Ventures	Managing Director and shareholder
Rackware Inc	director and shareholder
Revver	director and shareholder
Seclore	director and shareholder
Signal Peak Ventures	Managing Director and shareholder
Straker, Inc	shareholder
Steven Bayliss	
AJE Healthcare Ltd	advisory board member
Branded Culture Ltd	director
Jennian Homes Ltd	advisory board member
Kind Face Ltd	advisory board member
MyWave Ltd	advisory board member
The New Zealand Lotteries Commission	director

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.

Director	Date of acquisition/ (disposal)	Consideration per share	Number of shares acquired/ (disposed)
Grant Straker	12 June 2025	0.4305	21,893

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 58 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 79 of this report.

Shareholder information

The shareholder information set out below is current at 27 August 2026.

Issued capital

Issued capital The total number of issued ordinary shares in Straker Limited as at 31 March 2026 and 27 August 2026 was 64,339,299

Distribution of shareholding

Range	Number of Holders	%	Ordinary Shares	%
1 to 1,000	206	24.88	99,778	0.16
1,001 to 5,000	260	31.40	694,852	1.08
5,001 to 10,000	108	13.04	808,372	1.26
10,001 to 100,000	186	22.46	6,557,082	10.19
100,001 and over	68	8.21	56,179,215	87.32
Total	**828**	**100.00**	**64,339,299**	**100.00**

Un-marketable share parcels

Range	Number of Holders	%	Ordinary Shares	%
< AUD$500	319	38.53	277,141	0.43

Distribution of share options

Range	Number of Holders	%	Ordinary Shares	%
1 to 10,000	3	8.11	19,877	0.30
10,001 to 100,000	21	56.76	825,910	12.44
100,001 and over	13	35.14	5,791,917	87.26
Total	**37**	**100.00**	**6,637,704**	**100.00**

Options

There were 37 individuals holding a total of 6,637,704 unlisted options.

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
S Ward	11,458,330	17.81
Bailador Technology Investments Limited	9,160,354	14.24
A Hunter & M Straker & G Straker	6,143,342	9.55
M Gregg & S Gregg	4,297,225	6.68
Total substantial shareholders	**31,059,251**	**48.27**

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.

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
Citicorp Nominees Pty Limited	12,449,153	19.35
Bailador Technology Investments Limited	9,160,354	14.24
A Hunter & M Goble & G Straker	3,165,910	4.92
A Hunter & M Straker & G Straker	2,906,603	4.52
J P Morgan Nominees Australia Pty Limited	2,866,894	4.46
MSG Holdings Pty Limited	2,403,887	3.74
M Gregg & S Gregg	1,893,338	2.94
S Donovan & S Donovan & J Ullness	1,533,870	2.38
TLC Howe Pty Limited	1,222,500	1.90
GE Equity Investments Pty Limited	1,104,000	1.72
Non Correlated Capital Pty Limited	1,069,468	1.66
Lingotek Inc	989,022	1.54
G Go	929,657	1.44
D Sowerby	918,810	1.43
C Pearson	900,000	1.40
L Morgan & L Morgan	588,392	0.91
R Howe & J Howe	578,000	0.90
Sharesies Australia Nominee Pty Limited	548,730	0.85
BNP Paribas Nominees Pty Limited	539,098	0.84
A Van Der Steeg	484,556	0.75
Top 20 holders of ordinary fully paid shares (total)	**46,252,242**	**71.89**
Other shareholders (balance on register)	18,087,057	28.11
Grand total	**64,339,299**	**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 than 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 current on-market buy-back for Straker shares.

Restricted ordinary shares

There were no restricted ordinary shares as at 31 March 2026.

Consolidated entity disclosure statement

Entity	Entity Type	Country of Incorporation	Ownership Interest %	Tax Residency
Straker Limited	Body corporate	New Zealand	100%	New Zealand
Elanex Inc.	Body corporate	United States of America	100%	United States of America
Eurotext Translations Limited	Body corporate	Ireland	100%	Ireland
IDEST Communication SA	Body corporate	Belgium	100%	Belgium
New Zealand Translations Centre Limited	Body corporate	New Zealand	100%	New Zealand
Straker Europe Limited	Body corporate	Ireland	100%	Ireland
Straker Germany GmbH	Body corporate	Germany	100%	Germany
Straker Japan KK	Body corporate	Japan	100%	Japan
Straker Lingotek LLC	Body corporate	United States of America	100%	United States of America
Straker Spain SL	Body corporate	Spain	100%	Spain
Straker Translations Australia Pty Limited	Body corporate	Australia	100%	Australia
Straker Translations Inc.	Body corporate	United States of America	100%	United States of America

Matters of circumstance arisen since year end

There have been no material matters of circumstance that have arisen since year end that has not been disclosed in this report.

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	Linda Jenkinson (Chair) Grant Straker Ron Heinz Helen Foley (Resigned 4 June 2026) Amanda Cribb Steven Bayliss
Independent Auditor	BDO, Auckland
Share Registrar	MUFG Corporate Markets (AU) 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.straker.ai

straker

ASX : STG
STRAKER