

Tuesday, 4 January 2022

MEDIA RELEASE**Straker announces acquisition of Belgium-based IDEST**

ASX-listed technology expansion capital fund Bailador Technology Investments Limited (“Bailador”, ASX:BTI) has provided the following update on portfolio company Straker Translations Limited [ASX:STG] (“Straker”).

Straker has today announced the acquisition of Belgium-based translation provider, IDEST Communication SA (“IDEST”), which specialises in serving international institutions such as the United Nations and European Commission, for an initial consideration of NZ\$2.9 million.

Further information on Straker’s acquisition of IDEST is provided in the attached announcement Straker released to ASX.

–Ends–**Approved for release by****Helen Plesek**

Company Secretary

+61 2 9223 2344

investorservices@bailador.com.au

Important Notice

Bailador Investment Management Pty Ltd ACN 143 060 511 (‘Manager’) has prepared the information in this announcement. This announcement has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in BTI, nor does it constitute financial product or investment advice, nor take into account your investment, objectives, taxation situation, financial situation or needs. Any investor must not act on the basis of any matter contained in this announcement in making an investment decision but must make its own assessment of BTI and conduct its own investigations and analysis. Past performance is not a reliable indicator or future performance.

ASX and MEDIA RELEASE

4 January 2022

STRAKER TO ACQUIRE BELGIUM-BASED IDEST

Traditional translation provider IDEST Communication SA ("IDEST") a company specialising in serving international institutions such as the United Nations and European Commission, where they have been a valued supplier for more than two decades.

ACQUISITION HIGHLIGHTS:

- LTM revenues of €4 million (NZD\$6.63 million) and approximately 10% EBITDA
- Binding agreement to acquire IDEST shares for an initial consideration of EUR€1.75million (NZ2.902 million¹), comprising EUR €1.5m million in cash and EUR €250 thousand in shares at transaction completion plus deferred consideration based on revenue milestones
- Extends and consolidates Straker's presence in the multi-billion-dollar European market
- Opens the largest translation market in Europe through established relationships with major enterprise customers and partners, including the United Nations and European Commission
- IDEST's management team, including its founder/CEO to be aligned with acquisition success via a performance-linked earn-out structure and will continue in management post-deal close
- Competitively priced acquisition
- Acquisition funded through Straker's existing debt-free balance sheet

Auckland, New Zealand – Straker Translations (ASX: STG), a leading global technology-driven translation services platform, today announces it has entered into a binding agreement with IDEST to acquire 100% of the IDEST shares of cash and share consideration.

IDEST, which is based in Brussels, Belgium and was founded in 1990, has focused on serving international institutions with state-of-the-art, tailor-made translation services. IDEST has 18 employees.

The share purchase agreement is effective from 1 January 2022. Completion of the transaction is not subject to any conditions precedent.

Strategic benefits

The acquisition consolidates and extends Straker's presence in the multi-billion-dollar European translation market, establishing new relationships with leading global institutions, including the European Commission, European Parliament, UNESCO, and the United Nations. It also offers Straker acquisition synergies, including the gains that will come from the integration of the RAY Ai-powered translation platform into IDEST. Often IDEST have only been dealing with central European languages and through Straker will be able to offer a much wider range of language solutions to their customers. The transaction will materially boost Straker's revenue and is EBITDA positive.

Founder and Chief Executive Grant Straker said regarding the proposed acquisition:

¹ Straker has adopted NZD/EU 0.603c as a currency rate assumption for this transaction.

"We have been talking to IDEST for several years as we recognised the strong standing, they have with global institutions and that their long experience and our technology solutions and global reach would be of value to their customers. It's fantastic that the stars have aligned to enable this transaction and for us to build on the great work of the founders over the past 30 years. We have recently setup an office in Amsterdam and combined with IDEST in Brussels will give us a very strong offering in the Benelux region."

Founder and Chief Executive of IDEST, Jean-paul Dispaux, stated:

"We are very happy with Straker acquiring IDEST, as they were our top choice for an acquirer given their technology, global services reach and team and culture fit. I first met Grant Straker in 2017 in Belgium when we talked about being acquired, we told him we would grow our business and he outlined the vision he had for the industry and their technology. Four years later and we have both achieved exactly what we said we would do, and this has built a good deal of trust that we can take forward as we integrate and expand our business in global institutions, which is a significant business opportunity."

Transaction detail

Straker has agreed to an upfront payment on completion of EUR€1.75 million (NZ\$2.902 million²), for IDEST, comprising EUR €1.5 million in cash and EUR €250 thousand in shares at transaction completion in Straker ordinary shares at an issue price of AU\$1.48 per share³. The new shares will be issued under the Company's 15% placement capacity under Listing Rule 7.1.

In addition, Straker has agreed to pay additional consideration to IDEST's vendors of up to an additional EUR€2.5m in cash over two years, the majority of which is contingent on hitting revenue growth targets. The Company believes this structure strongly aligns the vendors with the ongoing success of the transaction.

The acquisition is to be funded via existing company cash reserves.

IDEST's management team, including its founder/CEO, will continue with the IDEST business after acquisition and will continue to manage IDEST operations from IDEST's Belgium-based head office.

Guidance

At its half year report Straker reconfirmed guidance of more than NZ\$50m revenue for FY22. Trading through Q3 has been very strong and the acquisition of IDEST will also positively impact on revenue and EBITDA for Q4 FY22. Straker will give an update on guidance for FY22 at our 4C cashflow release towards the end of January.

This announcement has been approved for release to the ASX by the Board of Straker Translations Limited.

² Straker has adopted NZD/EU 0.603c as a currency rate assumption for this transaction.

³ Being the average closing price for Straker shares on the ASX at 30 December 2021.

FOR FURTHER INFORMATION:

Corporate:

Grant Straker, CEO & Co-Founder
E: grant@strakertranslations.com
P: +64 21 512 484

Investors:

Ben Henri
E: ben.henri@mcpartners.com.au
P: +61 473 246 040

David Ingram, CFO

E: david.ingram@strakertranslations.com
P: +64 21 591 984

About Straker Translations

Based in New Zealand, Straker Translations has established itself as a world leading Ai data driven translation platform powering the global growth of businesses. Straker Translations has developed a hybrid translation platform that utilises a combination of Ai, machine-learning, and a crowd-sourced pool of freelance translators. The company's cloud-based platform manages the end-to-end translation process, leveraging Ai and machine-learning to create a first draft translation and subsequently matching the customer's content with one or more of the approximately 13,000 crowd-sourced human freelance translators for refinement. This process is managed using Straker's proprietary "RAY Translation Platform", which has been developed over eight years and is an enterprise grade, end-to-end, cloud-based platform. By leveraging machine translations and its big data assets, the RAY Translation Platform enables the delivery of faster and more accurate translations, lowering the time and cost to deliver versus traditional translation services. The platform can be integrated directly into customers' systems and consists of a customer dashboard, machine translation integration and modules for assisting and managing translators. For more information www.strakertranslations.com

For personal use only