



INVESTOR PRESENTATION

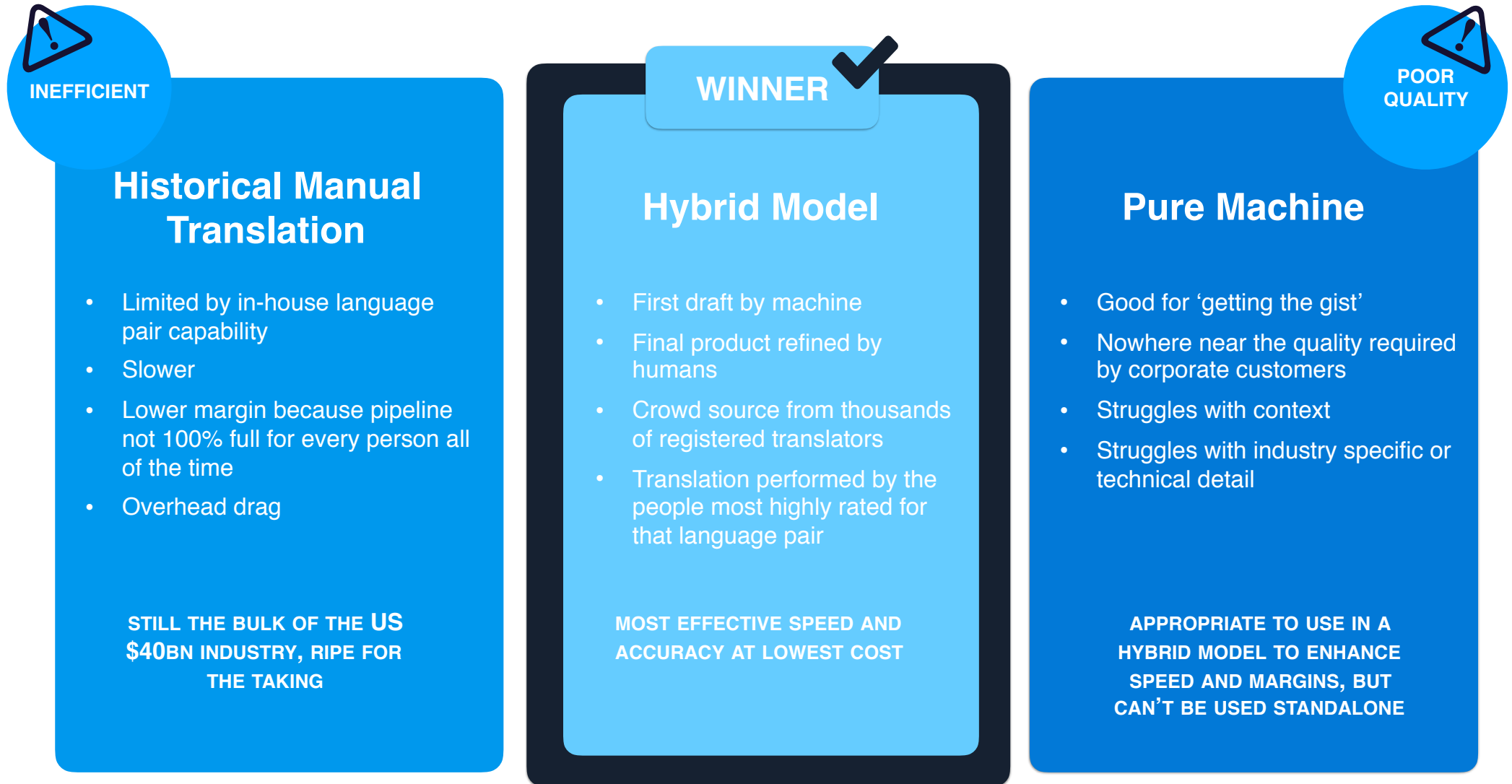
March 2017

**STRAKER TRANSLATIONS IS A TECHNOLOGY LEADER
IN THE US\$40 BILLION¹ GLOBAL TRANSLATIONS INDUSTRY**

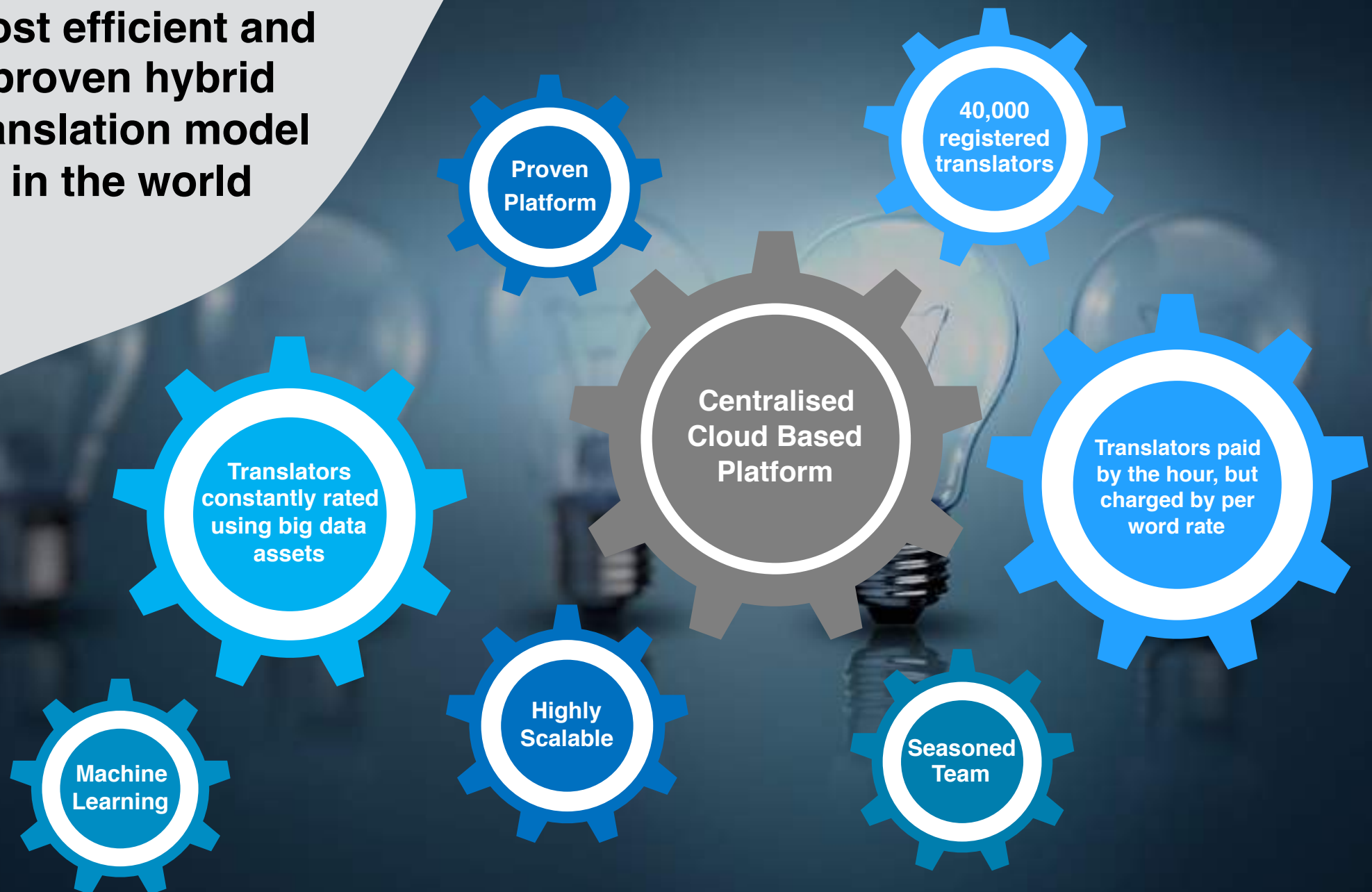
Straker Utilises **Proprietary Machine Learning** and **Global Crowd Sourcing** To Create a More Effective Translation Supply Chain

(1) Source: Common Sense Advisory, The Language Services Market: 2016

The Hybrid Machine/Crowd Sourced Translation Model has Begun to Dominate the Industry



**Straker has the
most efficient and
proven hybrid
translation model
in the world**



Straker Has A Strong Competitive Advantage

SPEED

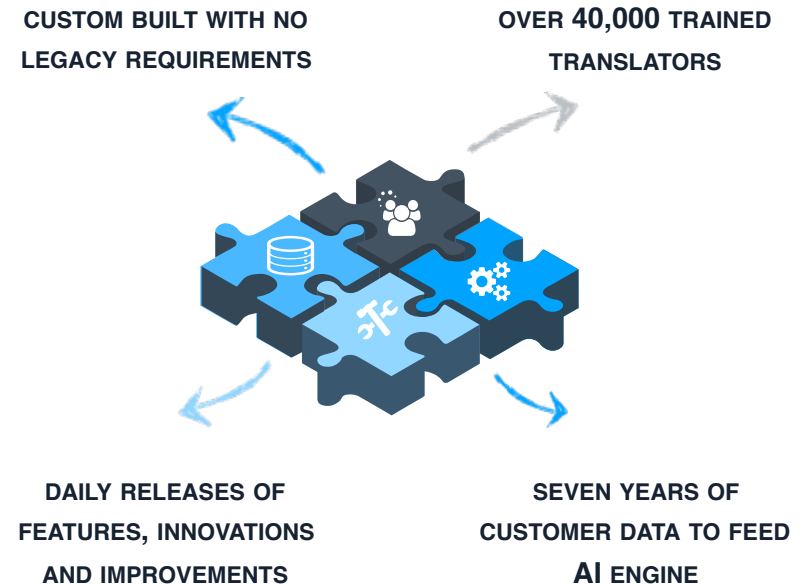
- ▶ Straker's platform makes the quotation and translation process faster than its competitors, in a market where speed and accuracy are equally valued

WORDS PER DAY TRANSLATED FOR EACH LANGUAGE¹



HARD TO REPLICATE

- ▶ Straker's platform is the result of seven years of iterative development and customer feedback, making it difficult to replicate



(1) Source: Straker Management, based on benchmarking of competitors' pricing of jobs quoted by Straker

Straker is Well Positioned For Success



ORGANIC GROWTH AND NATURAL ACQUISITION TARGETS

- ▶ Highly fragmented industry
- ▶ Top 100 operators contribute less than 13% global revenue¹



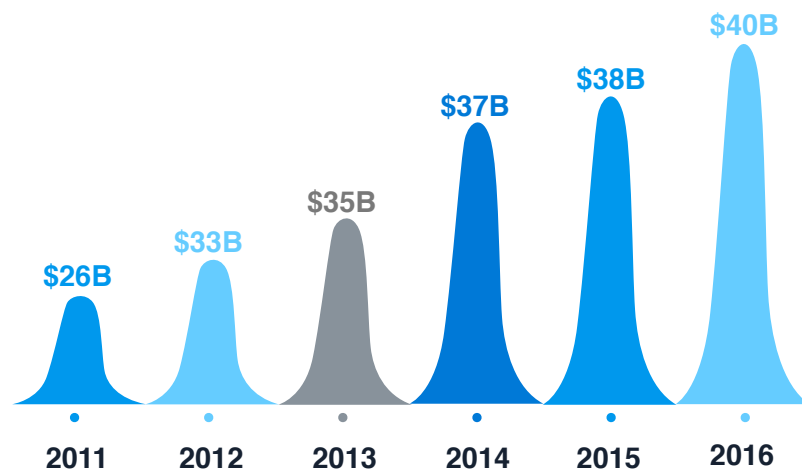
WINNING MARKET SHARE GLOBALLY

(1) Source: Common Sense Advisory, The Language Services Market: 2016

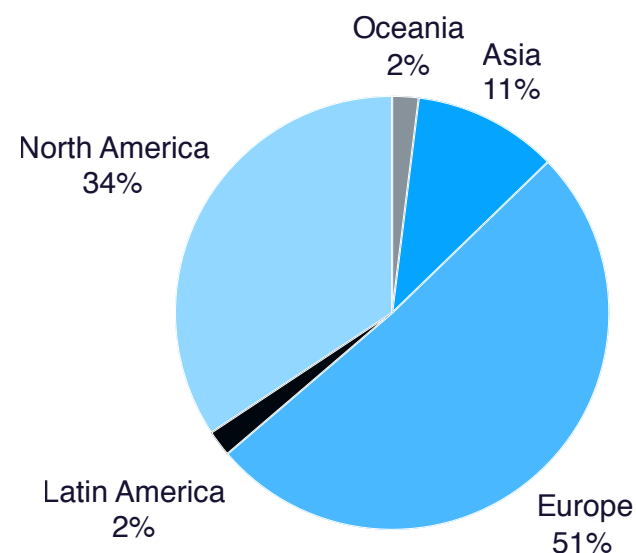
A Large Global Market

▶ Annual revenue from the global translation industry currently exceeds US\$40 billion¹

▶ The industry continued growing during the GFC as customers looked to new, foreign language markets to fuel growth

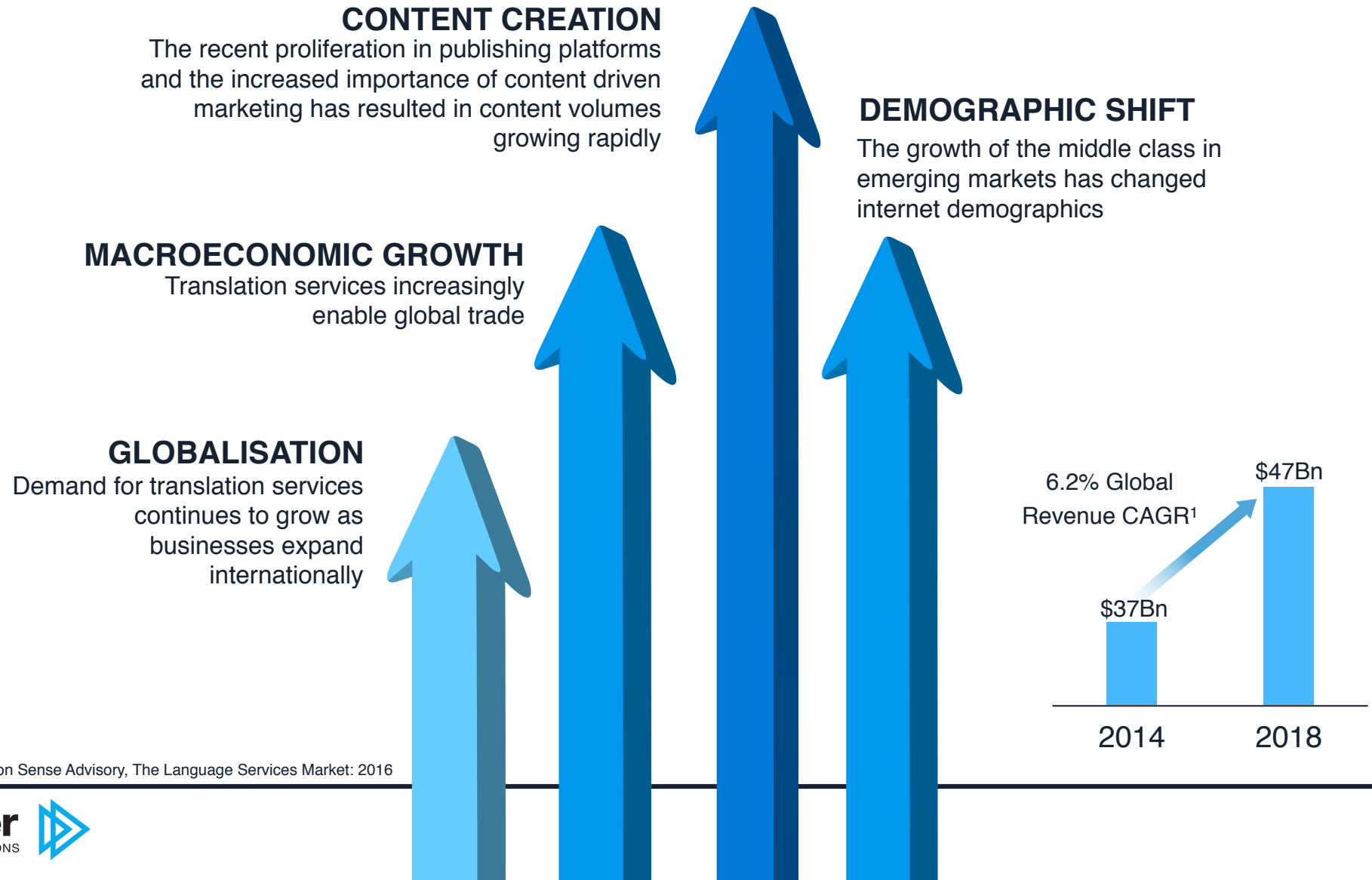


▶ Global spread of activity means no dependence on any particular region



(1) Source: Common Sense Advisory, The Language Services Market: 2016

Industry Growth Forecast To Continue



Case Studies of Growing Use of Translation

eCommerce

THE HUT GROUP™

The Hut Group are the UK's largest eCommerce provider. They have over \$1m in contracted translation revenue with Straker

amazon

Amazon use Straker Translations across Europe, the UK and the USA

Manufacturing

Mitutoyo

Mitutoyo are a large German Manufacturer, with \$800k contracted translation revenue with Straker

CATERPILLAR®

Caterpillar use Straker for Product Information documents and International sales proposals

Technology

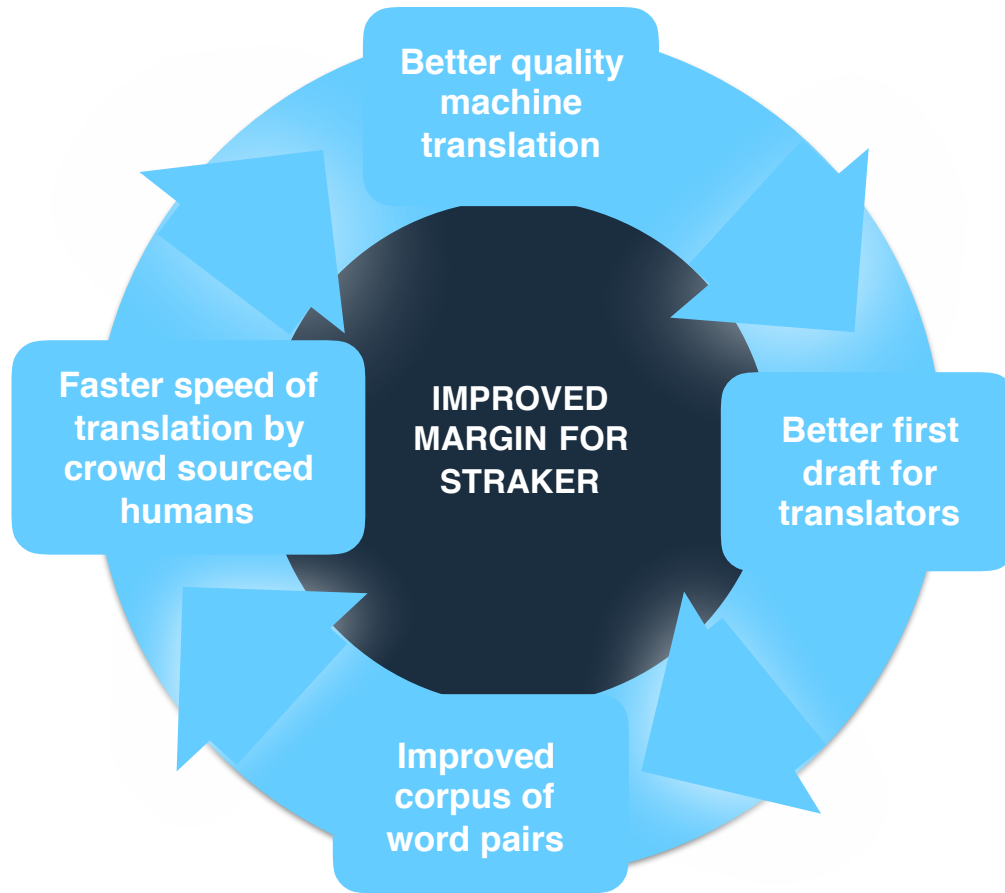
LinkedIn

TESLA

twitter

The Straker automation technology and advanced workflows fit perfectly into most tech company globalisation strategies and aims

The Advance of Machine Translation Benefits Straker



"Machines will not replace humans for translation in the next 50 years - we cannot train them to understand context as they don't know what context is"

- Kyunghyun Cho - world leading expert on neural machine translation



Based on the industry CAGR, trillions of dollars of business will be done in this time. This represents an enormous opportunity for Straker to continue to benefit from the advance of machine translation.



Straker has World Leading Quality Control



Global Certification

Straker has the highest global certification possible for translation services - ISO 9001 and EN-15038



Centralised Control

The RAY translation platform centralises the translation process and the quality control process. Using big data analytics, Straker can introspect content and find issues even experienced translators may miss



LISA Translation Q&A Model

Straker has adopted the well proven translation quality control procedure known as LISA QA Model, the strictest international quality standard currently in place



A World Leading Platform that is Virtually Impossible to Replicate

lightRAY
TRANSLATOR MANAGEMENT
PLATFORM

sunRAY
TRANSLATION PROJECT
MANAGEMENT PLATFORM

deltaRAY
CUSTOMER DASHBOARD

straker
TRANSLATIONS



hyperRAY
MACHINE TRANSLATION
ENGINE

ultraRAY
HUMAN TRANSLATION
WORKBENCH

stingRAY
TRANSLATION
AUTOMATION AND API

xRAY
DATA ANALYTICS ENGINE

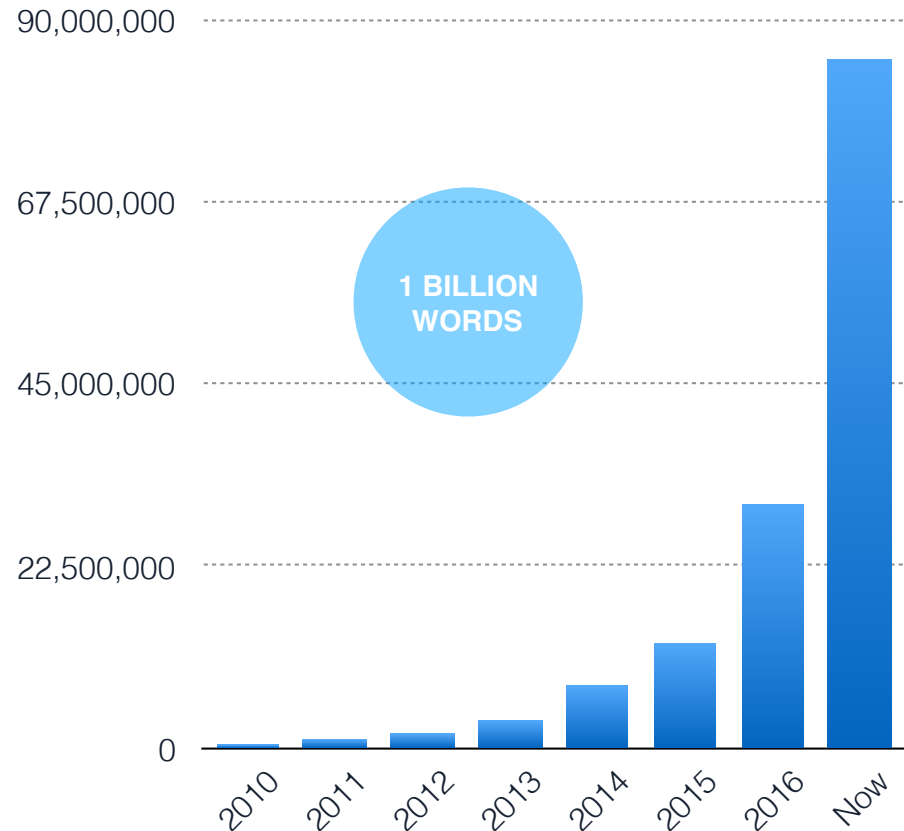
The world leading RAY translation platform has been developed over more than 7 years with countless iterations and has been proven in a high demand, high scale live business environment

A Highly Valuable Data Asset

Straker Translation Memory Database

- ▶ Translation memory is used to train machine engines
- ▶ When combined with human data points, accurate data memories create an enormous proprietary asset
- ▶ Enhances accuracy and efficiency, with a direct correlation to margin
- ▶ Significant gains in Straker's translation memory database in recent months with the acquisition of Elanex

DATABASE ROWS



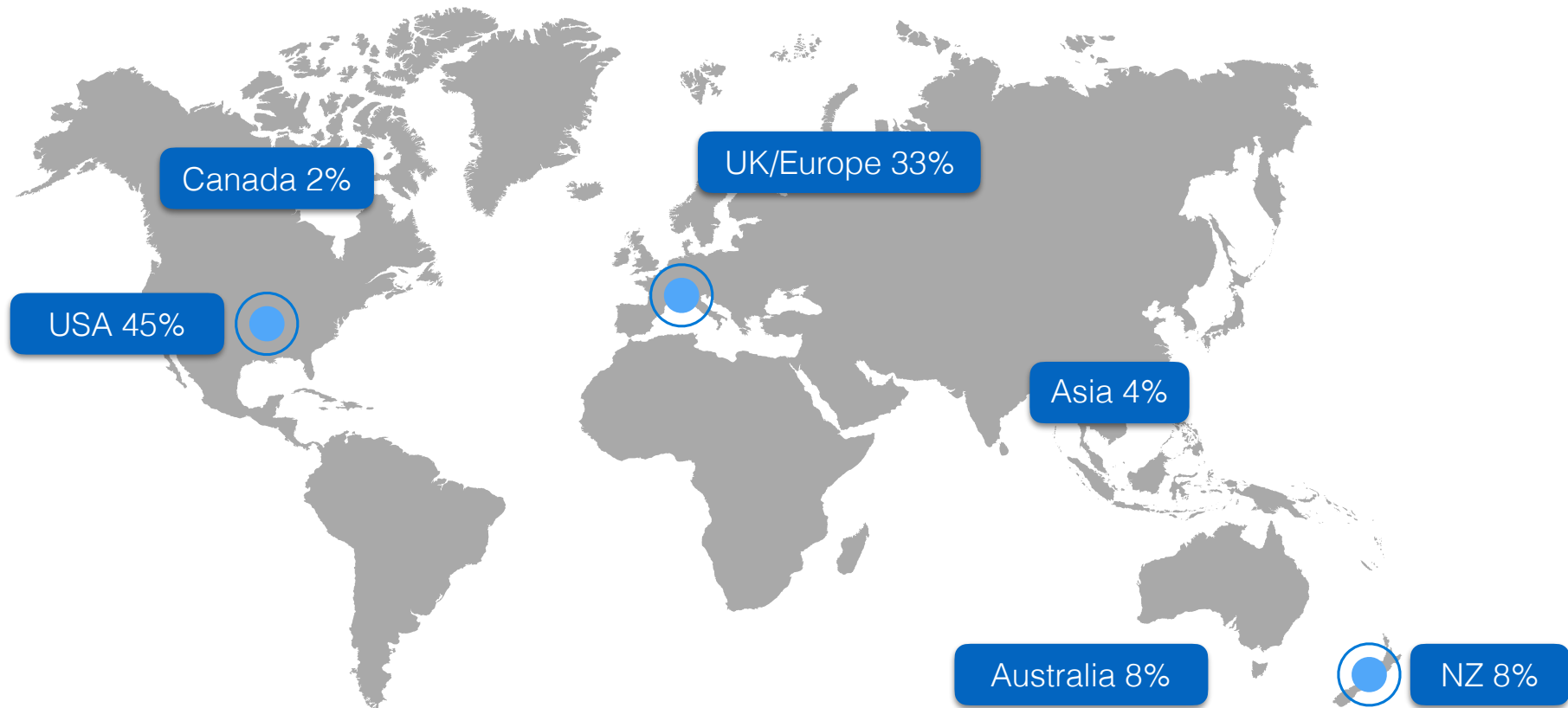
The Nature of Straker's Model makes it Economically Scalable



WITH THOUSANDS OF CUSTOMERS AND THOUSANDS OF SUPPLIERS, STRAKER IS THE KEY PLAYER IN THE VALUE CHAIN

Straker is Able to Address a Global Market with Minimal Offshore Employees

A GLOBAL CUSTOMER BASE REDUCES SALES CYCLE RISK AND IS A STRONG PLATFORM FOR GROWTH



Three global production centres in Auckland, Denver and Barcelona

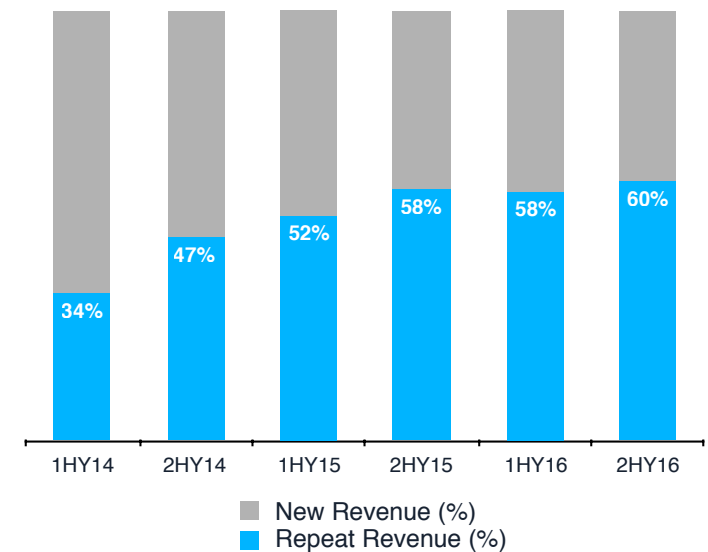
Data is based on last 12 months revenue (including Eurotext and Elanex)



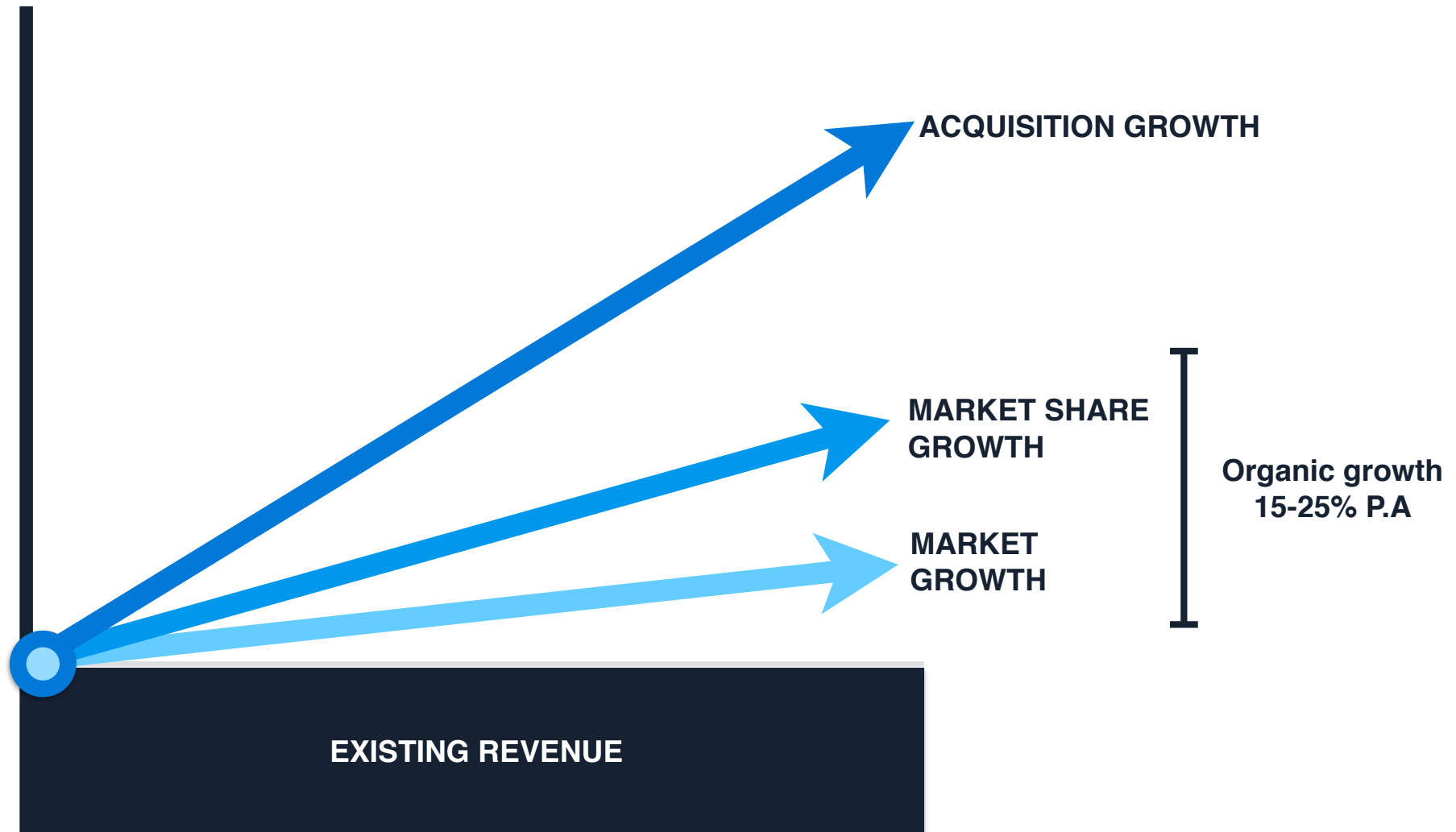
An Impressive, Fast Growing Customer Base



Revenue from **repeat customers** has been steadily increasing

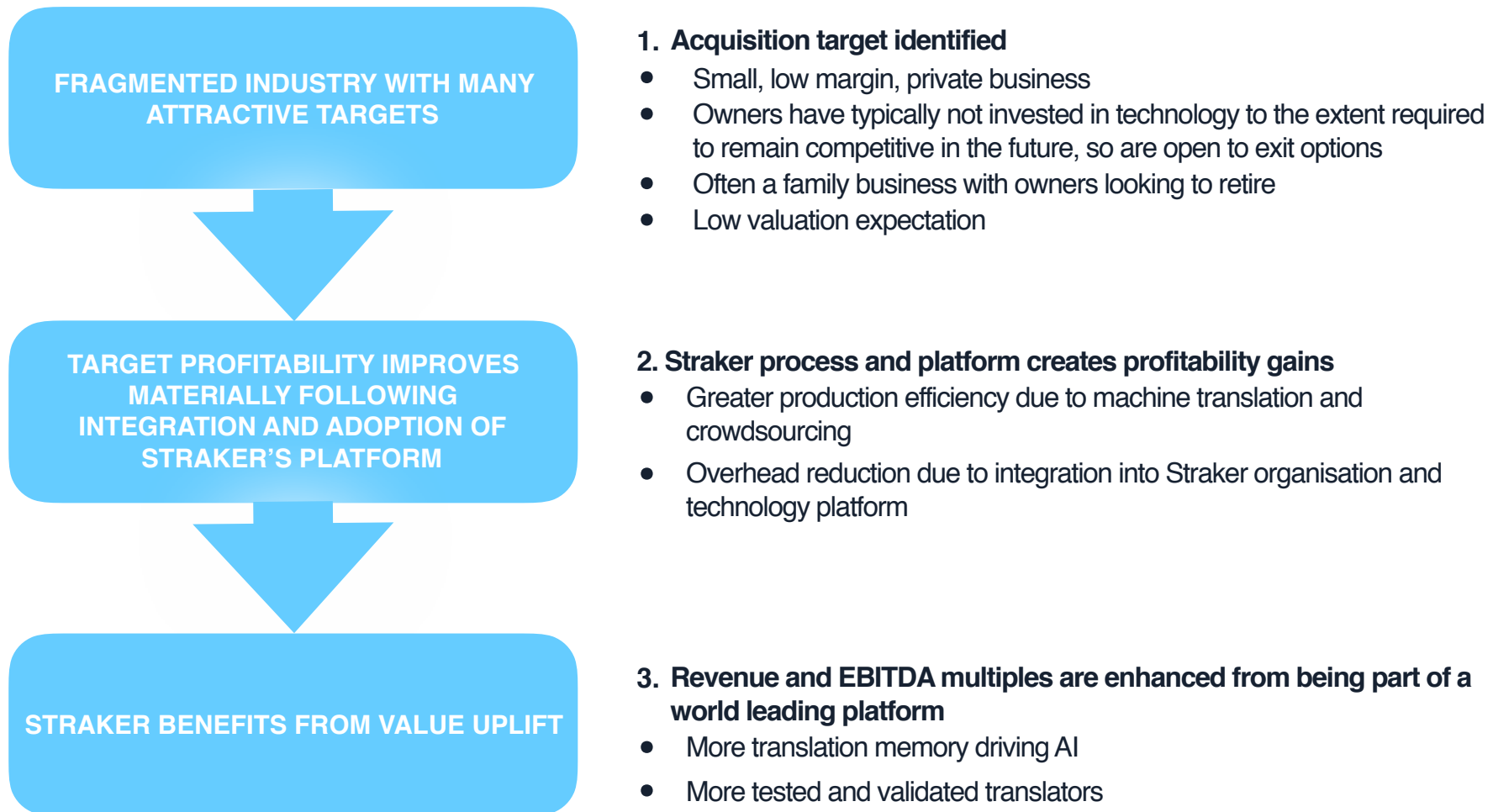


Straker has Multiple Growth Drivers



Traditional LSPs Present an Immediate Opportunity to Add Value

STRAKER ACQUISITION STRATEGY







Acquisition is a Powerful Driver of Value for Straker

There are three stages to the process of value creation as small legacy translation service providers are acquired

EXAMPLE ACQUISITION SCENARIO

\$M	TARGET COMPANY PRIOR TO ACQUISITION	STAGE ONE: UPLIFT IN GP MARGIN BASED ON ADOPTING STRAKER'S PLATFORM	STAGE TWO: CORPORATE INTEGRATION BENEFITS REDUCE OVERHEADS	STAGE THREE: MULTIPLE EXPANSION UPON FULL INTEGRATION INTO STRAKER'S GLOBAL PLATFORM
Revenue	\$6.00	\$6.00	\$6.00	\$6.00
Gross Margin	\$2.40	\$3.30	\$3.30	\$3.30
Gross Margin %	40%	55%	55%	55%
Overhead	\$1.90	\$1.90	\$1.00	\$1.00
EBITDA	\$0.50	\$1.40	\$2.30	\$2.30
EBITDA %	8%	23%	38%	38%
Enterprise Value	\$3.0	\$8.4	\$13.8	\$21.0 - \$30.0
EV/Acquisition Price	NA	2.8x	4.6x	7.0x - 10.0x
Revenue Multiple	0.5x	1.4x	2.3x	3.5x - 5.0x
EBITDA Multiple	6.0x	6.0x	6.0x	9.1x - 13.0x

Comparable Companies Demonstrating Characteristics of Straker are Highly Valued by the Market

				
	ASX:APX	ASX:FLN	ASX:WTC	AIM:KWS
	language, search and social technology services	freelancing and crowd sourcing marketplace	global logistics software	localisation services for the global video gaming industry
ENTERPRISE VALUE	\$227.5m	\$352.8m	\$1494.5m	£335.9m
REVENUE	\$111.0m	\$52.7m	\$125.3m	£81.5m
REVENUE MULTIPLE	2.0x	6.7x	11.9x	4.1x
EBITDA	\$17.3m	\$0.5m	\$35.1m	£14.1m
EBITDA MULTIPLE	13.2x	705.7x	42.6x	23.8x
	Language Industry	Freelance, Crowd Sourcing Supply Chain	Acquisition model based on common technology platform	Language industry with acquisition strategy

Data current as at 3 March 2017

APPENDIX

STRAKER SNAPSHOT

BUSINESS OVERVIEW

- Straker Translations Limited is headquartered in Auckland, New Zealand and is a leading global provider of cloud-enabled translation services.
- To service a rapidly growing customer base, Straker uses a proprietary technology platform and a mix of in-house and over 40,000 certified translators who are domain experts across a huge range of subjects.
- Straker's proprietary technology platform disrupts the traditional industry model by centralising, simplifying and accelerating the translation process.
- Straker has the critical mass to provide 24/7 operations to a global market place.

MARKET OPPORTUNITY

- Annual revenue from the global translation industry was US\$37 billion in 2014, with the market forecast to grow to around US\$47 billion in 2018¹.
- **The industry is highly fragmented, with the top 100 operators (out of more than 27,000 total suppliers) contributing less than 13% of global revenues¹.**
- **The majority of operators are small, with little opportunity to adapt as technology plays an increasingly important role in the translation process.**

COMPETITIVE ADVANTAGE

- Control of the value chain – Straker owns its technology platform, controls the customer acquisition process, and deals directly with translators.
- Speed - Straker's platform makes the quotation and translation process faster than its competitors, in a market where speed and quality are equally valued.
- Hard to Replicate - After five years of continual iterative development (based on actual customer usage and load), Straker has a mature, stable and modular platform that is difficult to replicate.

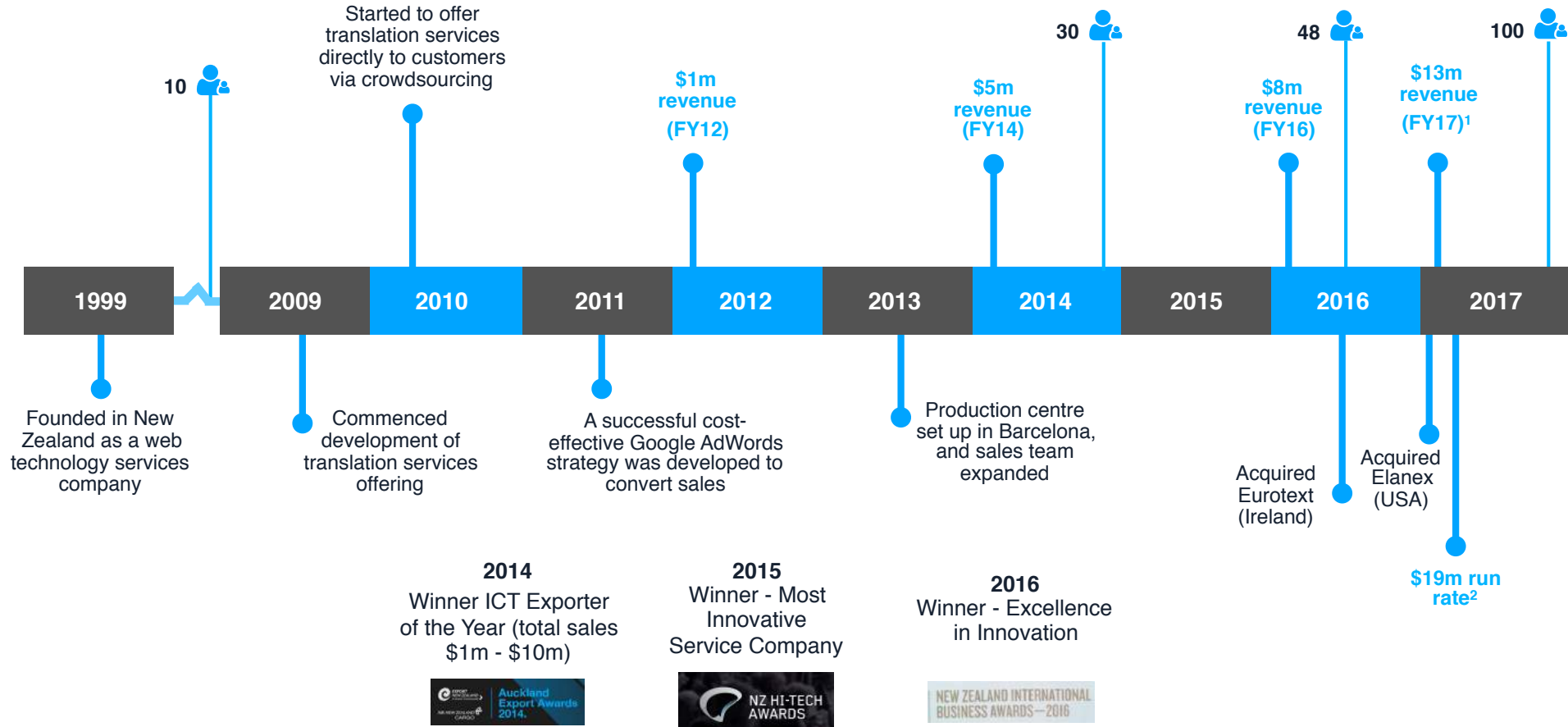
GROWTH OPPORTUNITY

- With 50 staff globally, Straker is well placed to execute growth opportunities.
- Organic (business as usual) growth will be supplemented with new strategic revenue initiatives to support Straker's goal of being a top 20 global supplier.
- Straker is forecasting run rate revenue as at March 2017 of NZD \$19m per annum and a 25% growth rate.

(1) Source: Common Sense Advisory, The Language Services Market: 2016

COMPANY HISTORY

From its origins in 1999 as a web technology services company, Straker has evolved and grown to become a leading global provider of cloud-enabled translation services.



All revenue data in NZD

(1) Estimated FY17 Total Revenue as at March 2017 is \$12.5 - \$12.8m

(2) Estimated Total Run Rate Revenue as at March 2017

BOARD OF DIRECTORS



Grant Straker

Founder CEO / Managing Director

As one of the founders 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.

Prior to founding Straker in 1999, Grant served in the British Army as an elite Paratrooper.



Phil Norman

Chairman

Phil was the founding Chairman of Xero Limited, one of New Zealand's most successful listed technology companies, and retired from the Board in July 2012 after five years' service.

Phil served as Chairman of the New Zealand Venture Capital Association during 2002 and 2003 and was for six years a member of NZTE's New Zealand Beachheads Advisory Board, resigning in June 2010.



Paul Wilson

Director

Paul has had extensive private equity investment experience as a Director of CHAMP Private Equity in Sydney and New York, with MetLife in London, and as Executive Director at media focused investment group, Illyria Pty Ltd.

Paul is Chairman of SiteMinder and iPRO and a Director of Viocorp International, Yellow Pages (New Zealand), the Rajasthan Royals IPL cricket franchise, and ASX listed Vita Group Limited.



Tim Williams

Director

Tim founded ValueCommerce Co. Ltd. (Formerly Trans Pacific Inc.) in 1996.

Tim is one of the original pioneers in the Japanese Internet and advertising industry. His vision and record of achievement are mirrored through the success and growth of ValueCommerce.



James Johnstone

Director

James has 14 years experience in strategy consulting, corporate development and building an online marketplace business, working within Virgin Group companies.

James holds a Bachelor of Accounting from UTS Sydney and is a qualified Chartered Accountant.



Steve Donovan

Director

Steve is a former partner of Ernst & Young. He qualified as a Chartered Accountant in the U.K. and has operated within the IT and finance industry in New Zealand for a number of years.

Steve is Straker's former CFO and has been working with technology companies across a range of industries.



EXECUTIVE MANAGEMENT



David Sowerby

Chief Revenue Officer

David has more than 10 years experience in the technology industry. His background in statistics and data analysis, and his strong entrepreneurial drive has helped accelerate the growth of a number of early stage ventures.

David has proven experience building businesses, and has been directly responsible for growth at a number of start-ups and start-up units within larger organisations.

David has an Undergraduate Degree in Science from the University of Queensland, a Graduate Diploma in Management from CQU and a Masters of Business Administration from Trinity College Dublin.



Kim Andrews

Chief People Officer

Kim works alongside the leadership team to provide operational support to improve the performance, production, and efficiency of the business.

Kim's responsibilities include managing human resources, overseeing day-to-day office operations, the coordination and supervision of policies and procedures and employee engagement.

Prior to joining Straker - Kim worked in the telecommunications industry for 16 years and has a strong background in leadership, HR and credit management.



Haydn Marks

Chief Financial Officer

As CFO, Haydn oversees the Group's Finance function.

Haydn is responsible for general financial management, compliance, board reporting, commercial contract review, tax, planning and cashflow management.

With more than 17 years' financial management experience, Haydn has worked across professional services, global finance and technology. He is a member of the Institute of Chartered Accountants Australia and New Zealand and holds a Bachelor of Business from Massey University.



Indy Nagpal

Chief Technical Officer

Indy has over 17 years experience in web application development at various companies in the US, Canada, Australia, India and New Zealand.

Indy has a range of experience in software development from programming to project management, content development, training and consulting.

As the CTO of Straker Translations, Indy is responsible for setting the technical direction of the company across its multilingual translation product sets.



Meryn Straker

Chief Operations Officer

In her role as Chief Operating Officer, Meryn oversees Straker Translations' global production systems and teams, making sure that every touch point within the company runs smoothly – from client projects to finance and everything in between.

Meryn has a Bachelor of Management Studies (majoring in Management and HR), from Waikato University.



straker
TRANSLATIONS

