



serko

Serko Limited

Annual Shareholders Meeting, 22 August 2018

WELCOME FROM THE CHAIRMAN



Simon Botherway
Chairman of the Board



ORDER OF MEETING

- Chairman welcome
- CEO's Presentation
- Shareholder Q+A
- Formal Business + Resolution
- General Business

DELIVERY

Against our strategy for FY18

Grow ARPB by offering increased content and moving customers to Zeno

- Zeno transition will achieve premium pricing and higher attachment of new content sources
- Higher attachment will result in increased supplier commissions
- 72% increase in supplier commission revenue for FY18
- Added new content sources – HRS Hotels, GTA Hotels, Hotel Hub,



Offer premium, integrated global solutions

- Zeno launched domestically
- Commenced Northern Hemisphere market development
- White-label self-onboarding SME solution now powering partner solutions HWFB and Flight Centre Corporate Traveller – CT GO

Expand into new territories through strategic alliances and reach the unserved SME market

- ATPI signed - 50 countries
- Tandem Travel transitioning to Zeno (previously transacting on Sabre Online)

STRONG IMPROVEMENT IN ALL KEY MEASURES

PERFORMANCE DASHBOARD

(FY18 VS FY17)

PROFIT

\$2.0m

NET PROFIT
BEFORE TAX

\$5.3m

Turnaround in NPBT for the year compared to prior year loss of \$3.3m

REVENUE

28%

↑ INCREASE

OPERATING
REVENUE

\$18.3m

Recurring revenue
90% of total
operating revenue

27%

↑ INCREASE

RECURRING
REVENUE²

\$16.4m

Core product revenues

25%

↑ INCREASE

TOTAL
INCOME

\$19.3m

Total income
from all sources
including Grants

ACTIVITY

24%

↑ INCREASE

PEAK
ATMR¹

\$18.4m

Indicator of future
growth potential

20%

↑ INCREASE

ONLINE
BOOKINGS

20%

Year on Year
growth for FY18

COSTS

16%

↓ DECREASE

R&D COSTS³

\$4.9m

Opex \$4.5m
Capex \$0.4m
27% of Revenue

6%

↓ DECREASE

OPERATING
EXPENSES⁴

\$17.7m

Net FTE⁵
decrease in
the period

Notes 1 - 5: Refer to Appendix for Definitions

Annualised Transactional Monthly Revenue (ATMR) of \$18.4m is as at Feb 2018 and represents peak for the period whereas March 2018 is seasonally affected by Easter holidays. % increase calculated against Feb 2017 of \$14.8m

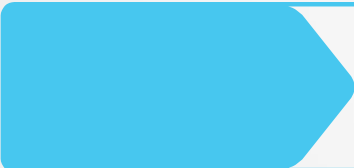
OUTLOOK FY19



**GROWTH IN OPERATING REVENUE EXPECTED
TO BE IN 20-30% RANGE**



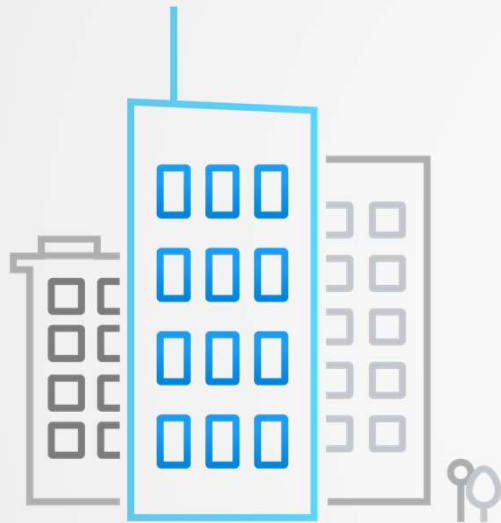
PEAK ATMR HAS RISEN TO \$18.8M



**FY19 EBITDA PROFIT EXPECTED TO BE IN
LINE WITH FY18**



**CASH BALANCES AT 31 JULY \$4.7M (BEFORE
CAPITAL RAISE)**



GOVERNANCE UPDATES

- ESG Report
- ASX Listing (June 2018)
- \$15m Capital Raise (Aug 2018)
 - Accelerate revenue growth
 - Investigate potential acquisitions

CEO PRESENTATION



Darrin Grafton
Chief Executive Officer

EXECUTIVE CHANGES



Susan Putt
Chief Financial Officer



Charlie Nowaczek
Chief Operating Officer



Murray Warner
Head of Australasian Market



John Challis
Head of Business Development



Tony D'Astolfo
Senior Vice President, NORAM

Serko – Transforming the Way Businesses Manage Travel and Expense

Software as a Service (SaaS)/cloud based solutions provided in conjunction with Travel Management Companies (TMCs) to corporates to manage travel spend and support duty of care to its employees



zeno

Zeno is Serko's next generation travel management application, using intelligent technology, predictive workflows and a global travel marketplace

serko
online

Serko Online is an online booking tool for corporates to book and manage airlines, hotels, rental cars and airport transfers

serko
expense

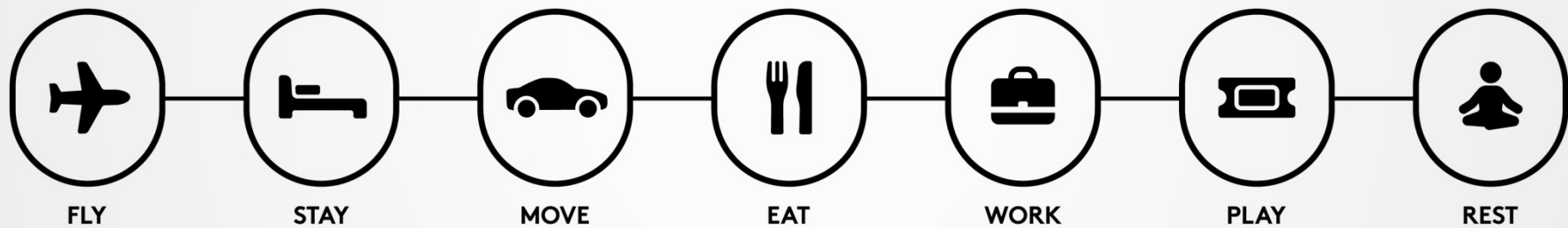
Serko Expense is an online expense management solution that enables the capture and processing of corporate card and out of pocket claims

serko
mobile

Serko Mobile is a purpose-built mobile app for making flight and hotel bookings and managing travel expenses

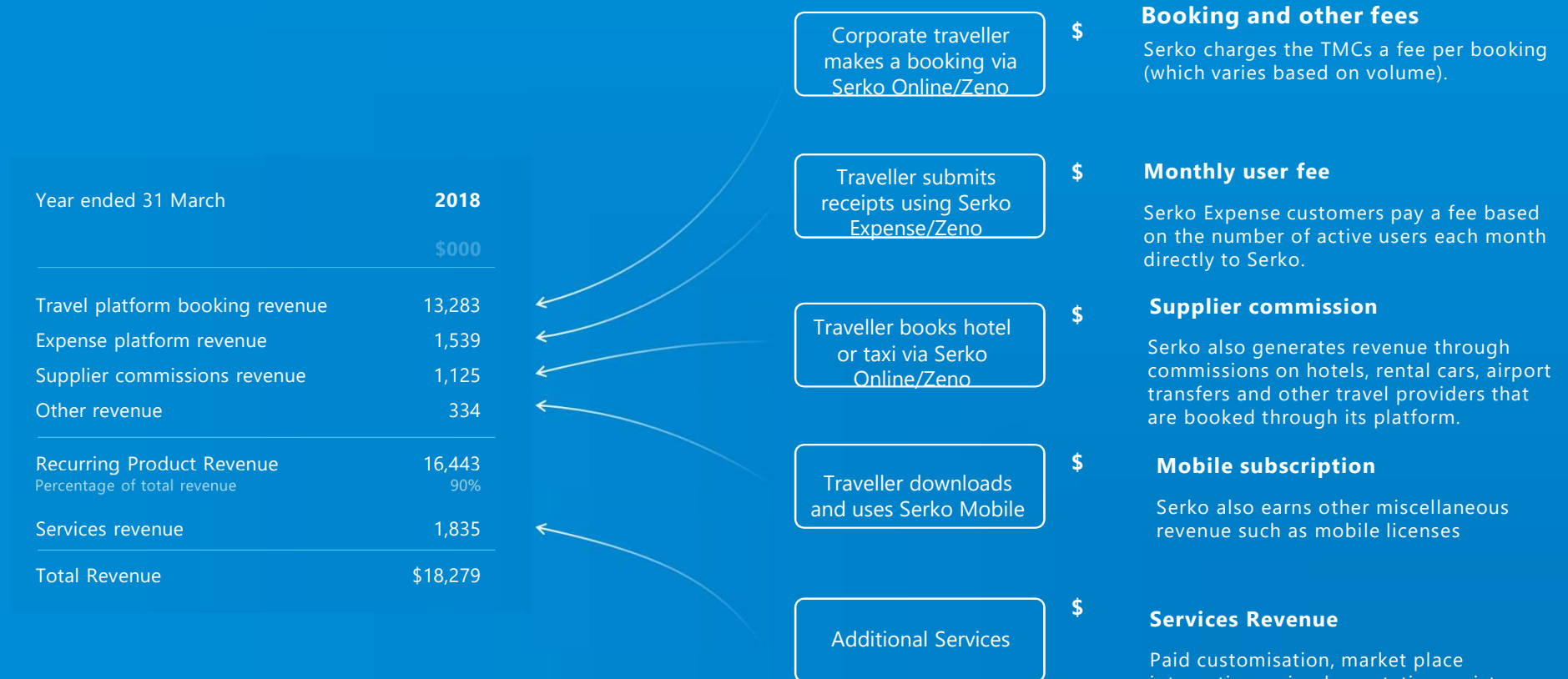
THE CONNECTED TRAVELLER

Zeno is a single application to manage travel across every phase of the journey



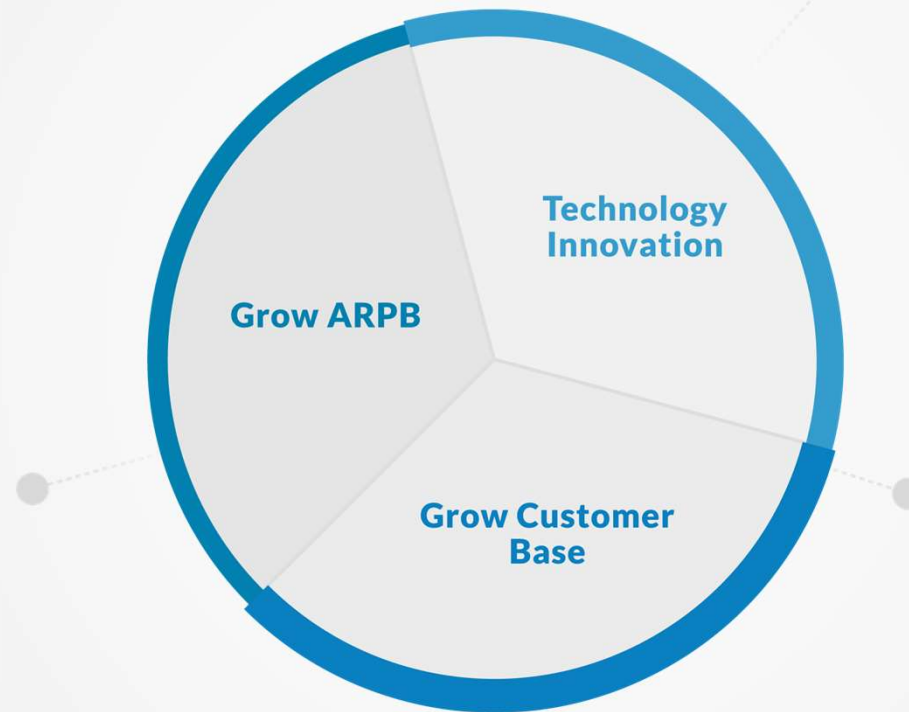
COMMERCIAL MODEL

Recurring revenue split



STRATEGIC FOCUS UPDATE

- Reseller agreements in place to enable uplift in ARPB with transition to Zeno (65% coverage based on Q1 transactional volume)
- Marketplace expansion - RoomIT
- Content attachment continues to increase



- Industry Recognition for Innovation
- Leadership in NDC with Qantas partnership
- Leading edge intelligence with AI and Ask Zeno under commercial development

Building to accelerate signed opportunities

- AUS/NZ – Orbit; Flight Centre
- UK/EU – ATPi have commenced deployment in UK
- NORAM
 - New Canadian resellers content requirements in development (Voyages Travel Encore, Custom Travel Solutions)
 - Flight Centre reseller agreement to deploy in Canada, US and Mexico



GROWTH PATHWAYS

- Serko is still gaining domestic volume through new TMCs as well as new corporates coming on to existing TMCs
- Targeting run forward bookings of 5 million by 31 March 2019
- International growth opportunities are very significant
- Activating these opportunities this year
- Building to double volumes and increase revenues to \$100M



QUESTIONS

FORMAL BUSINESS & RESOLUTIONS

2018 RESOLUTIONS

Resolution 1

That the directors are authorised to fix the fees and expenses of the auditor of Serko Limited

Resolution 2

That Mr Simon Botherway be re-elected as a director of Serko Limited

Resolution 3

That Mr Robert (Bob) Shaw be re-elected as a director of Serko Limited

Resolution 4

That the (US) Employee Share Incentive Plan be and is hereby approved

GENERAL BUSINESS

THANK YOU

ABOUT SERKO

- Serko provides innovative cloud based corporate travel and expense technology solutions.
- Founded in 2007 by Darrin Grafton and Robert Shaw, Serko listed on the New Zealand stock exchange in June 2014, and more recently in June 2018, has listed as a Foreign Exempt Listing on the Australian Securities Exchange. Serko remains founder led. Serko trades under the ticker 'SKO'.
- Serko is a major supplier of technology solutions for Travel Management Companies (TMCs) in Australasia and is now expanding into Northern Hemisphere markets with signed global supply arrangements.
- The majority of Serko's revenue comes from TMCs who provide our solution to their corporate customers.
- Serko is head quartered in New Zealand and employs more than 120 people worldwide including offices in Australia, United States and China and India.

For further information refer to Serko's website www.serko.com and its 2018 Annual Report which can be found under Investor Centre.

DEFINITIONS

- ATMR (Annualised Transactional Monthly Revenue) is a non-GAAP measure. Serko uses this as useful indicator of recurring revenues from Serko products based on the monthly transactions from the most recent month.
- ARPB (Average Revenue Per Booking) is a non-GAAP measure.
- Recurring product revenue (a non-GAAP measure) is the recurring revenue derived from transactions and usage of Serko products by contracted customers. It excludes revenues from customised software development.
- R&D (Research & Development) costs is a non-GAAP measure representing the internal and external costs related to R&D both expensed and capitalised.
- Operating Costs is a non-GAAP measure which excludes costs relating to taxation, interest, depreciation, and amortisation charges
- EBITDA is a non-GAAP measure representing Earnings Before the deduction of costs relating to Interest, Taxation, Depreciation and Amortisation.
- FTE = Full time equivalent employee

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This presentation is given on behalf of Serko Limited. Information in this presentation:

- is for general information purposes only, and is not an offer or invitation for subscription, purchase, or recommendation of securities in Serko Limited;
- should be read in conjunction with, and is subject to, Serko's Annual Report, market releases and information published on Serko's website (www.serko.com);
- includes forward-looking statements about Serko and the environment in which Serko operates, which are subject to uncertainties and contingencies outside of Serko's control – Serko's actual results or performance may differ materially from these statements;
- includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance; and may contain information from third-parties believed to be reliable; however, no representations or warranties are made as to the accuracy or completeness of such information.
- Non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The non-GAAP financial information included in this release has not been subject to review by the auditors. Non-GAAP measures are used by management to monitor the business and are useful to provide investors to access business performance.

All information in this presentation is current at the date of this presentation, unless otherwise stated. All currency amounts are in NZ dollars unless stated otherwise.