



Market Release

31 July 2018

Serko Updates Market Guidance After Signing Letter of Intent with Flight Centre Travel Group

Serko Limited (NZSX:SKO, ASX:SKO, 'Serko'), a leader in online travel booking and expense management for business, today announced it has signed a Letter of Intent (LOI) with Flight Centre Travel Group (FCTG) and raised its FY19 guidance range for revenue growth to 20% - 30% above FY18 (from 15% -30% previously).

The LOI commits the parties to endeavour to negotiate a contract variation incorporating the agreed principles set out in the LOI, intended to be effective 1 September 2018, which would extend the existing partnership with FCTG's corporate brands across Australia, New Zealand and Asia through to April 2022 at a minimum, and also includes an expansion in territory across North America to include USA, Canada and Mexico.

Under the LOI, Serko is immediately entitled to receive an ongoing development contribution from FCTG through to April 2019, at a minimum. This will enable FCTG to launch a unique product based on Serko's latest online travel management technology.

This commitment, along with other Travel Management Company (TMC) agreements previously signed by Serko and announced to the market, is expected to result in an uplift in revenue in the second half of FY19. As a result, Serko raises its FY19 guidance range for revenue growth to 20% - 30% above FY18 (up from previous guidance of 15% – 30%).

In the event that a binding contract variation is agreed based on the principles set out in the LOI, we expect that the FCTG relationship will deliver further revenue growth in FY20 year as we recognise the full trading benefit of the geographic expansion and implementation of the new technology.

Serko will provide a further update on performance and progress for the FY19 year at the Annual Shareholder Meeting to be held on 22 August 2018.

Ends

For Investor Relations queries please contact:

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