

2019 RESULTS PRESENTATION



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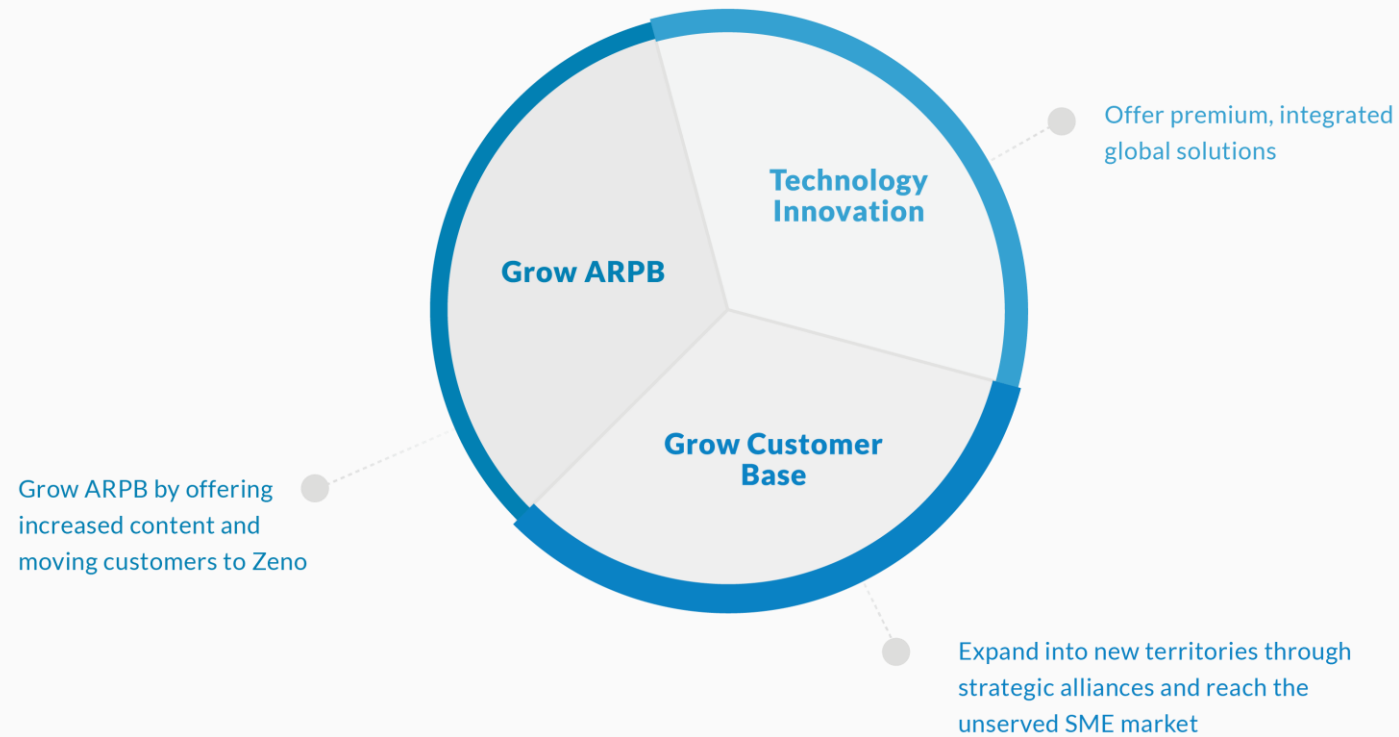
Agenda

CEO Introductions
Strategic Update
Financial Highlights
Outlook

CEO Welcome

Darrin Grafton

STRATEGIC UPDATE





TECHNOLOGY INNOVATION

Zeno grew from a concept to a complete product and was deployed globally across hundreds of customers

- Zeno was the first online travel and expense solution globally to be certified NDC* Level 3 by IATA, with NDC solutions rolled out with ATPCO NDC Exchange and a strategic alliance with Qantas
- We built and launched SAVI, a unique solution customised for Flight Centre, and secured an ongoing technology development fund for customising SAVI features
- We built and launched the AskZeno chatbot and rolled out a product integration and partnership with Uber for Business
- We scaled our product architecture for global growth
- We were recognised for our excellence in innovation in our industry

**NDC (New Distribution Capability) is a travel-industry supported programme launched by IATA for the development and market adoption of new XML-based data transmission standard that enhances the communication between airlines, travel agents, and aggregators. Learn all about NDS at www.zeno.travel/NDC*



GROWING OUR CUSTOMER BASE

We extended our market leadership in Australia & New Zealand and established reseller partnerships in North America and Europe

- Australasian growth and transition to Zeno has ramped up with over 85%* reseller agreements signed
- Tandem Travel (Air New Zealand corporate travel management division) migrated its customer base to Zeno
- Orbit Travel (House of Travel corporate travel arm) began to roll out Zeno to its customers across Australia and New Zealand
- Flight Centre is transitioning its customers to SAVI, a custom-developed solution
- In the US and Canada we signed reseller partnerships with CWT (one of the world's largest), Direct Travel/Vision (part of the ATPI Group), FCM USA, Voyages Travel Encore and Custom Travel Solutions
- ATPI Group deployed Zeno to its first customers in the UK

*As measured by share of transaction volume for FY19

BUILDING REVENUE

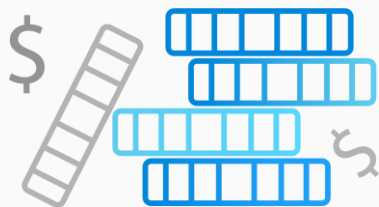


FY18

FY19

FY20

FY21



GROWING ARPB

The first resellers and customers began migrating to Zeno at a premium transaction cost and we laid the foundations for more widespread adoption

- Zeno transition increases ARPB through increased transaction booking fee as well as increasing additional content uptake
- We expanded our content offerings with the option to book rail content across UK and we added regional airlines in Australia and New Zealand. RoomIT was added and we integrated our Expense solution with UBER for Business. Virtual credit card options with Conferma are increasing
- Cross selling of Expense with Travel solutions
- Acquisition of US based InterplX, an expense management software company which provides additional services through audit and agency payment provision

PERFORMANCE DASHBOARD

FY19 VS FY18

PROFIT

\$1.6m

NET PROFIT
AFTER TAX

\$2.6m

EBITDAF¹
up 19% over prior
year

REVENUE

28%

↑ INCREASE
OPERATING
REVENUE

\$23.4m

Operating revenue
from core products
plus services
revenue

26%

↑ INCREASE
RECURRING
REVENUE²

\$20.7m

Recurring revenue (core
product revenue only)
89% of total operating
revenue

28%

↑ INCREASE
TOTAL
INCOME

\$24.6m

Total income from
all sources including
grants

ACTIVITY

41%

↑ INCREASE
PEAK ATMR³

\$26m

Indicator of future
growth potential
based on current
trading

17%

↑ INCREASE
ONLINE
BOOKINGS

17%

Travel platform
booking growth
against prior
corresponding year

COSTS

87%

↑ INCREASE
R&D COSTS⁴

\$9.2m

39% of Revenue
Opex \$2.4m
Capex \$6.7m

32%

↑ INCREASE
OPERATING
EXPENSES

\$23.3m

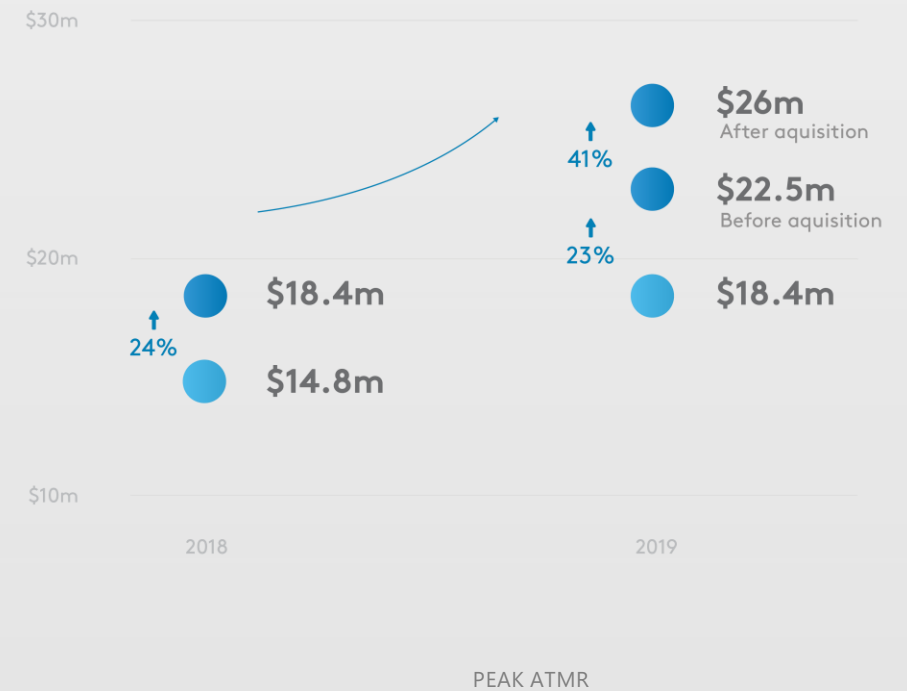
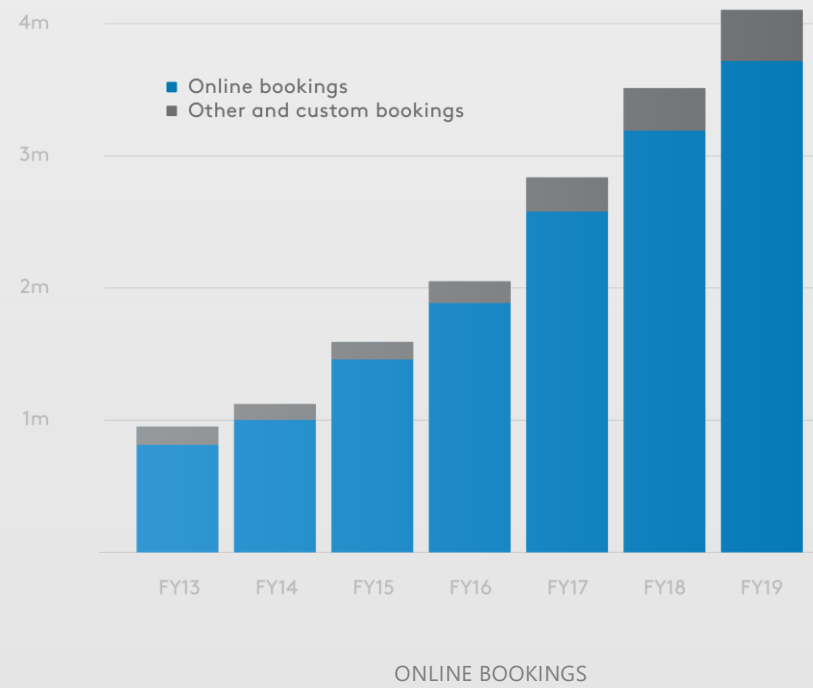
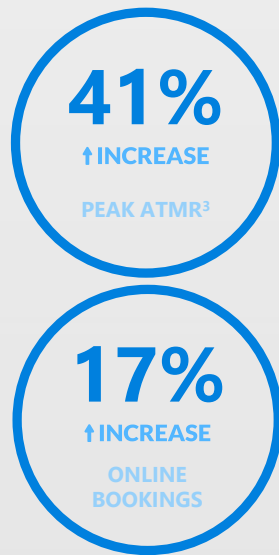
Net FTE⁵ increase in
the year of 67

Notes 1 – 5: Refer to Appendix for Definitions

See Slide 13 of this presentation for a reconciliation of Net Profit to EBITDAF

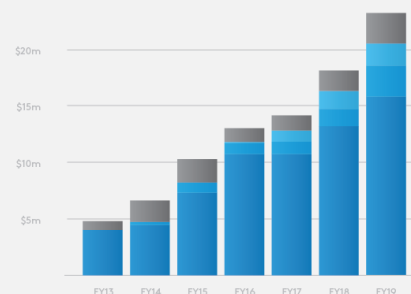
Note 3 - Peak Annualised Transactional Monthly Revenue (ATMR) of \$26m is as at February 2019. This includes InterplX acquired in Dec 2018. Excluding InterplX, ATMR would be \$22.5m representing a 23% increase on prior year.

ATMR RISES IN LINE WITH STRONG TRANSACTION GROWTH



*ATMR is shown before and after the acquisition of InterpIX, the results of which are included effective from January 2019. Peak ATMR is February for both 2019 and 2018

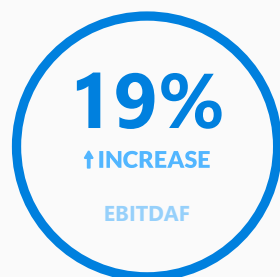
CONTINUED REVENUE GROWTH



Revenue by Type	FY19	FY18	change	
	\$000	\$000	\$000	%
Travel platform revenue	15,948	13,283	2,665	20%
Expense platform revenue	2,710	1,539	1,171	76%
Content commissions	1,538	1,288	250	19%
Other revenue	467	334	133	40%
Recurring revenue	20,663	16,444	4,219	26%
Recurring revenue %	89%	90%		
Services revenue	2,698	1,835	863	47%
Total operating revenue	23,361	18,279	5,082	28%
Government grants	1,208	956	252	26%
Sundry income	7	38	(31)	-82%
Total other income	1,215	994	221	22%
Total revenue and other income	24,576	19,273	5,303	28%

Revenue by Geography				
Australia	18,238	16,599	1,639	10%
New Zealand	3,440	1,038	2,402	231%
North America	1,471	457	1,014	222%
Other	212	185	27	15%
Total operating revenue	23,361	18,279	5,082	28%

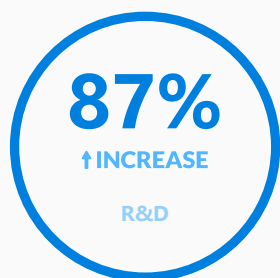
EBITDAF GROWTH



Net Profit Summary EBITDAF Reconciliation	FY19	FY18	change	
	\$000	\$000	\$000	%
Total income	24,576	19,273	5,303	28%
Operating expenses Percentage of operating revenue	(23,320) -100%	(17,684) -97%	(5,636)	-32%
Net finance income	290	414	(124)	-30%
Net profit before tax Percentage of operating revenue	1,546 7%	2,003 11%	(457)	-23%
Income tax benefit (expense)	87	(171)	258	151%
Net profit after tax	1,633	1,832	(199)	-11%
Add back/(deduct): income tax expense	(87)	171	(258)	-151%
Deduct: net finance income	(290)	(414)	124	30%
Add back: depreciation and amortisation	1,048	597	451	76%
Add back: fair value remeasurement*	287	-	287	n/a
EBITDAF EBITDAF margin	2,591 11%	2,186 12%	405	19%

*Fair value remeasurement of contingent consideration on deferred consideration for InterplX acquisition added to EBITDA as non-cash expense

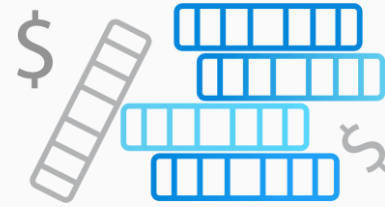
PRODUCT INVESTMENT INCREASES WITH GLOBAL EXPANSION



R&D Costs	FY19 \$000	FY18 \$000	change \$000 %	
Total R&D costs (including amounts capitalised)	9,165	4,906	4,259	87%
Percentage of operating revenue	39%	27%		
Less: capitalised product development costs	(6,740)	(383)	(6,357)	1660%
Percentage of R&D costs	74%	8%		
Research costs (excluding amortisation of amounts previously capitalised)	2,425	4,523	(2,098)	-46%
Less: Government grants	(876)	(956)	80	8%
Add: Amortisation of capitalised development costs	754	412	342	83%
Net product development costs	2,303	3,979	(1,676)	-42%
Percentage of operating revenue	10%	22%		

FINANCE

OTHER HIGHLIGHTS



- One off ASX Foreign Exempt Listing and InterplX acquisition costs were \$0.4 million
- Oversubscribed capital raise of \$15 million (\$14.3 million net of costs)
- Closing cash balances were \$15.7 million
- Net cash movement for the year, excluding funds raised, was \$3.8 million decrease
- Headcount (FTE) has increased to 173 as at 31 March 2019 by 67 from 106 in the prior year



OUTLOOK

- Total Operating Revenue Growth expected to be in the range of 20%-40%
- Positive EBITDAF is dependant on continued capitalisation of internally developed software and achieving revenue growth at high end of guidance due to scaling of operations for signed contracts
- Further guidance will be given at Annual Shareholders Meeting in August 2019



QUESTIONS

APPENDIX

ABOUT SERKO

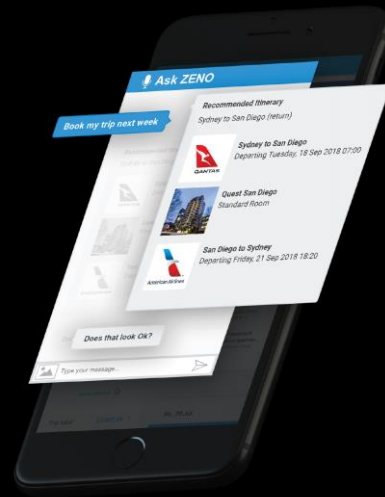
- Serko provides innovative cloud based corporate travel and expense technology solutions.
- Founded in 2007 by Darrin Grafton and Robert Shaw, Serko listed on the New Zealand stock exchange in June 2014, and more recently in June 2018, has listed as a foreign exempt listing on the Australian Securities Exchange. Serko remains founder led. Serko trades under the ticker 'SKO'.
- Serko is a leading 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 Travel Management Companies (TMCs) who provide our solution to their corporate customers.
- Serko is head quartered in New Zealand and employs more than 170 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 2019 Annual Report which can be found under Investor Centre.

ABOUT SERKO

Zeno Travel

Zeno Travel is an **Online Booking Tool (OBT)** that corporate travellers use to book flights, trains, hotels, rental cars and airport transfers in line with their corporate travel policies.



Zeno Expense

Zeno Expense **automates the process** of corporate card and out-of-pocket expense submission, reconciliation and reimbursement

OUR CUSTOMERS

The majority of Serko's revenue comes from Travel Management Companies (TMCs) that act as reseller partners, providing our solutions to their corporate customers as part of their overall managed travel service.

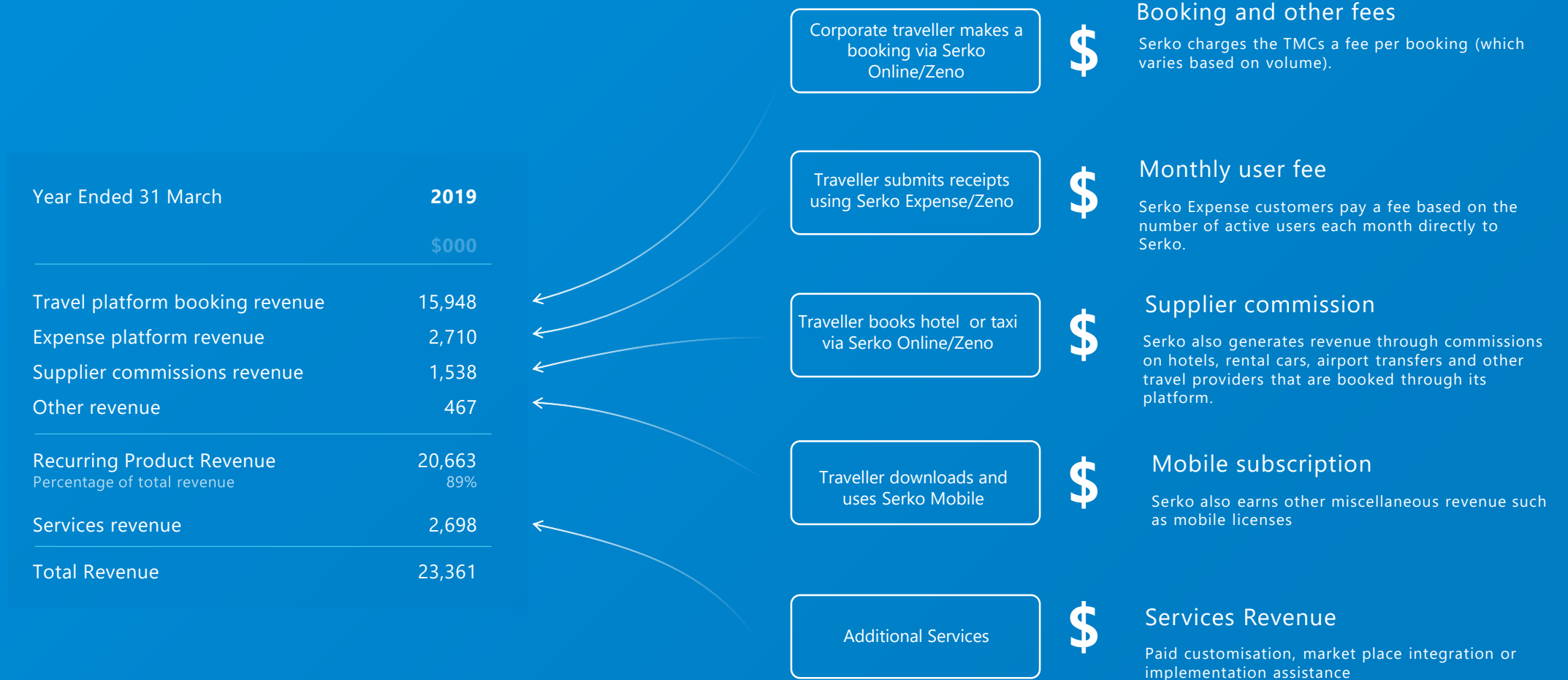
TMCs



Example corporates



COMMERCIAL MODEL



HISTORIC MEASURES

Selected Operational Metrics	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total revenue growth (%)	27%	39%	55%	27%	9%	28%	28%
Revenue growth – Travel Platforms (%)	41%	12%	62%	49%	8%	23%	20%
Total travel booking transactions (000s)	987	1,107	1,588	2,407	2,913	3,526	4,138
Online booking transactions ¹ (000s)	821	1,011	1,468	2,262	2,673	3,207	3,743
Online transaction growth (%)	35%	23%	45%	54%	18%	20%	17%
Recurring product revenue as % total revenue	84%	71%	80%	93%	91%	90%	89%
Operating costs ² (% change)	35%	62%	105%	13%	(10%)	(5%)	29%
Employees (number at end of year - FTE)	47	87	133	127	108	106	173
Average revenue per FTE (NZD\$000)	119	100	94	101	122	170	167
Research & development costs - expense and capex (NZD\$000)	2,340	3,387	5,762	6,268	5,836	4,906	9,165
Annualised transactional monthly revenue (ATMR) (NZD\$m)	*	*	*	11.2	15.3	18.4	26.0

1 – Online bookings exclude Offline and Custom bookings (system generated bookings) which are included in Online booking pricing or at a reduced rate

2 – Operating costs are Operating Expenses excluding depreciation and amortisation and fair value remeasurements of contingent consideration

* indicates not previously measured or reported

DEFINITIONS

- Peak ATMR (Annualised Transactional Monthly Revenue) is a non-GAAP measure. Serko uses this as a useful indicator of recurring revenues from Serko products. It is calculated by annualising the combination travel and expense platform monthly revenues for the most recent non-seasonal month. The travel platform revenue is annualised by taking the monthly online booking transactions divided by the number of weekdays for that month multiplied by the average ARPB and multiplied by 260 days. The expense platform revenue is based on the monthly revenue from active users multiplied by 12 months.
- ARPB (Average Revenue Per Booking) is a non-GAAP measure. Serko uses this as a useful indicator of the combined value from transactional booking fees and the supplier commissions earned from the travel platform. It is calculated by taking total travel platform booking revenue and supplier commission revenue divided by the total number of bookings.
- 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 (services revenue).
- R&D (Research & Development) costs is a non-GAAP measure representing the internal and external costs related to R&D both expensed and capitalised.
- EBITDAF is a non-GAAP measure representing Earnings Before the deduction of costs relating to Interest, Taxation, Depreciation and Amortisation and Fair value remeasurement of contingent consideration.
- FTE = Full time equivalent employee.

THANK YOU

