

The attached addresses and presentation will be given today at Serko's Annual Meeting which is to commence at 2.00pm and is being held at Link Market Services, Level 11, Deloitte Centre, 80 Queen Street, Auckland, New Zealand.

Chairman's Address

Delivery against our strategy for FY19 - Slide 5

Serko is transforming the way businesses manage travel and expenses by pursuing a three-pronged strategy of:

- Being a technology leader – We aspire to be the world leader in corporate travel and expense management.
- Growing our customer base - By expanding into new territories through strategic alliances as well as reaching the under-served small and medium sized enterprise (SME) market; and
- Increasing Average Revenue Per Booking (ARPB) - By offering a broader range of content throughout the entire customer journey and cross selling expense.

Serko has delivered another successful year, making important advances in all three areas.

We are a technological leader in the sector. Our Zeno platform is resonating in our Australasian business and, importantly, in the international markets we're targeting.

We know that we must listen to our customers and relentlessly pursue innovation to maintain our leadership position. Ahead of us, we have identified a strong pipeline of development opportunities that we believe will allow us to maintain this leadership position and build on our past successes.

We have laid the foundations for sustained growth in new markets. We have transitioned from a research and discovery phase in the Northern Hemisphere to a development and delivery phase, with key product rollouts commencing in the next couple of months.

This transition has required a considerable level of investment in Zeno development work, including porting a broad range of new content for the UK, Canadian and US Markets such as rail and new air connections, onto the Zeno platform.

We are delighted with the response we have received. Our pipeline of customers continues to grow.

In the North American market, we are gaining a broad following among travel management companies (TMCs). We are pleased to count among our customers some of the most significant TMCs in the sector, including CWT, one of the world's largest. And we continue to have more commercial opportunities available to us than we have capacity to deliver currently.

As a result, we are prioritising delivery to the markets and customers that represent the best opportunity for Serko at this time. As you would expect, we continue to strategically assess the opportunity set available to us and whether we can exploit avenues to accelerate execution of our strategic plan.

Our ability to succeed in these markets has also been lifted with the acquisition of US-based InterplX, an expense management software company, which also provides additional functionality that is important in that market, including audit and payment agency services.

InterplX is based in Minneapolis and the acquisition provides Serko with additional cross-sell opportunities and a convenient and populous Mid-west base from which we can expand our North American operations as we grow. It is also located within a few kilometres of two key partner TMCs, CWT and Direct.

Finally, we are growing Average Revenue per Booking as more customers transfer to our premium Zeno travel and expense management solution and we add new content to the platform. We are committed to continue to both offer and drive the adoption of a broad range of additional content.

We have secured 85%¹ of our existing resellers onto new Zeno contracts and the number of corporates transitioning to Zeno continue to lift.

All of these efforts have been supported by the company's successful raising of \$15 million of new capital in August last year. This capital has allowed us to significantly expand our team and associated resources to enter into new global markets.

Performance Dashboard Slide - Slide 6

Our performance dashboard shows the 2019 financial year against the key metrics we monitor.

Earnings before Interest, Tax, Depreciation and Amortisation and the Fair value remeasurement of a contingent consideration related to the acquisition of InterplX was \$2.6 million, up 19% from the prior year.

Having recorded our maiden profit last year, we posted another positive result with Net Profit After Tax of \$1.6 million.

Operating Revenue increased 28% to \$23.4 million with most of the growth coming from our core Australasian markets. Northern Hemisphere markets made a small, but growing contribution to the group.

Recurring revenue rose 26% to \$20.7 million and in aggregate, representing 89% of operating revenue. Transactions across our travel platform grew 17% over the last year to 4.14 million.

Total income, including grants, was \$24.6 million for the year. Peak Annualised Transactional Monthly Revenue (ATMR), which provides an indicator of the future growth potential of Serko's recurring revenues, reached a peak of \$26.0 million in February 2019, up 41% on the same period a year ago.

Moving to expenditure. R&D spending was \$9.2 million, up 87% from the prior year's spend of \$4.9 million. The capitalised portion increased over the prior year to \$6.7

¹ As measured by transactions for the year ended 31 March 2019

million from \$0.4 million. R&D spend - primarily investment in the Zeno platform - represented 39% of revenue for the period.

Operating costs also increased 32% over last year as we dedicated more resources to support international growth. This included an increase in headcount, as measured by FTEs, from 106 to 173 people at the end of March.

A more detailed analysis of the financial performance is included in the Annual Report which can be found on our website. We also have copies available here today.

It is pleasing to see our performance recognised in our share price. Two years ago, in March 2017, Serko's share price was at a low of 29 cents. It rose to \$2.45 a year later and ended the 2019 financial year at \$3.18 per share.

Since announcing our 2019 financial year results, our share price has continued to climb and hit an all-time high of \$4.40 in July 2019 off the back of the continued strength in financial markets. We continue to trade at a healthy multiple of our IPO price of \$1.10 in June 2014.

The entire team at Serko is focussed on delivering the performance and building the shareholder value that has underpinned this rise in our market valuation, now and into the longer term.

These efforts also include making positive improvements in social, economic and environmental outcomes. On our website you can find our latest report on our environmental, social and governance progress for the company – a programme of work that we continue to develop and grow.

We understand the importance of bringing our stakeholders along with us on our strategic growth journey and we have made a concerted effort to further enhance communication with our stakeholders over the past two years.

This has included simplified and clearer reporting of our key strategic measures, providing more detailed analysis of our financial results in the Annual Report, as well as providing our ESG report.

As part of our dual listing and capital raising, we have expanded into the Australian investment markets and now host regular investor roadshows in Melbourne and Sydney, where we enjoy a strong level of interest in our progress. We have found the Australian financial markets benefit from a deep pool of investors that understand the dynamics of our industry.

We were gratified to have these investor relations efforts recognised by the finance industry at the annual New Zealand Institute of Finance Professionals awards, where we won the NZX Emerging Leaders Best Investor Relations award. This followed our nomination as a finalist in the category in the prior year.

The 2019 financial year has been a good one for Serko and we are confidently looking forward to the next year. Serko is executing on its business plan and remains on track to deliver within its FY20 guidance range of 20-40% year-on-year revenue increase and on its longer-term forecasts. Darrin in his presentation will also cover off the outlook update in further detail.

On behalf of the Board I would like to acknowledge and thank the entire Serko Team for their hard work and dedication to deliver on our goals.

I'll now invite Darrin Grafton, CEO, to address you.

At the conclusion of Darrin's presentation, we will take your questions before we move to the formal business of the meeting where you will also get the opportunity to ask questions on the particular resolutions.

CEO's Presentation

CEO's Presentation Slide – Slide 7

Thanks Simon. Welcome everyone.

Zeno – Slide 8

When we reflect back on the 2019 financial year, the most important development was the official launch of Zeno, our flagship product, which was a concept developed before we listed in 2014.

The launch was pivotal because it is the platform we are using to spearhead our growth into new markets. At the same time, it has also opened up new revenue streams in our home market of Australasia.

As Simon mentioned, since our launch across multiple markets, we have secured 85%¹ of our existing resellers onto new Zeno contracts and we are now seeing continuous onboarding of corporates to the platform. The number of customers now using Zeno has doubled since March 2019 to over 1,000 active trading customers per month.

The Serko team has just returned from a very exciting GBTA conference in Chicago - GBTA is the largest business travel event in the world - which highlighted several new areas of opportunity and has re-confirmed to Serko the growth opportunities, the relevance and the demand for our technology. It is satisfying to see Zeno resonate with the global market.

Here is a snapshot from the Event.

[Slide 9 – GBTA Video to play]

These endorsements have seen us secure a strong pipeline of customers and, as Simon mentioned, the support of some of the world's largest resellers. This, combined with our strong market position in Australasia, gives us confidence that we can transition our business to a truly global supplier of travel and expense products.

Strategic Goal \$100m – Slide 10

Zeno is the technology platform that will allow us to achieve our next growth milestone – to build our business so it is sustainably generating annual revenues of more than \$100 million.

I now want to talk you through this next phase of Serko's growth.

Obviously with operating revenue in the 2019 financial year standing at \$23.4 million, our goal to achieve \$100 million revenue represents a high bar. At this stage we are

not defining the exact timing to achieve this milestone but have secured enough pipeline to give us confidence that we can achieve this goal.

Why? Because we have a clear strategy.

The Path to \$100m – Slide 11

We expect to lift travel bookings from Australasia through our platform to 5 million from the current 4.14 million. This will come via the onboarding of House of Travel's Orbit corporate business and from the organic growth of our resellers through acquisition of customers from a competitor technology.

We will also grow Average Revenue Per Booking (ARPB) to \$7 from the current \$5.65, based on FY19 total revenue divided by total travel bookings.

If we achieve this goal, we will be generating a forward run-rate of \$35 million from this market alone. But that is not the end-point for Serko.

We are also confident we can replicate our Australasian success in the Northern Hemisphere. If both the North American and UK/European markets deliver 5 million bookings each at a similar \$7 ARPB, we will exceed our \$100 million revenue goal across the three markets.

Growth Pillars – Slide 12

This strategy is founded on three growth pillars:

- Continuing to build our TMC reseller network
- Capturing a larger share of the unmanaged travel market; and
- Growing a travel marketplace for travel products and services on our platform in much the same way as Apple or Google have created a marketplace for apps.

The first of these strategic goals is in line with our broader strategic objective to grow our customer base, while the second is aligned with our strategic goal of growing ARPB across our platform.

Meanwhile, all three pillars are underpinned by our technological leadership of the travel and expense management sector with Zeno, which was developed to achieve these goals.

In Australia our target is linked more to growing our share of the unmanaged travel market and by growing ARPB.

In the new markets of North America and the United Kingdom, our strategy relies less on the unmanaged travel market and more on working with the TMCs who we have signed and are rolling-out Zeno to their larger corporate customers. In short, it means replicating the model that has served us so well in Australasia.

Global Managed Travel Opportunity – Slide 13

Let's start with the first of these – building out our **Travel Management Reseller network**.

Serko's success is founded on:

- the strong relationships we have established with TMCs; and
- our development of an ecosystem of travel and expense management tools and services and travel-related content.

Our technology has improved TMC operational efficiency and their profitability while still allowing them to deliver to their customers – and to the corporate travellers – a great and ever-improving customer experience.

This approach delivers base transaction revenue.

At the same time, it opens the door for Serko to add value to the relationship between the travel management company and their customers - and be rewarded for doing so. We do this when we add new content such as accommodation, airport transfers and meals or when they sell or refer our expense technology.

We only need to achieve small market penetration in the UK, Europe and in North America for each of these markets to be generating the equivalent revenue we are now experiencing in Australasia. These are realistic medium-term targets.

We have been very encouraged by the response we have received in these Northern Hemisphere markets since we launched last year.

Our efforts were given a big boost this month when Southwest Airlines, one of the largest airlines in the US, selected Serko and Zeno as their launch partner to showcase their NDC capabilities.

This is significant for Serko as this NDC capability will increase the demand for the Zeno product over time.

The endorsement of Zeno by one of the largest airlines in the USA cannot be underestimated. Southwest had the choice of all our competitors to work with, yet they selected Serko and Zeno because we could deliver and showcase the future of airline retailing.

We now have a sales pipeline well in excess of our expectations and we have signed enough resellers in the USA and Canada to build towards our initial target of 5 million bookings for Serko in the North American market in the medium term.

While Serko has prioritised North America entry in the near term, there is an opportunity for Serko to drive further European market penetration by leveraging the entry made into the UK with ATPI in 2018.

Growth in these markets means investment into more people, both in technology development and customer support. It also means more investment into sophisticated failsafe features and monitoring systems, and into streamlining the product for speed across all markets.

In short, it means evolving Serko to become a global organisation. This is why Serko raised an additional \$15 million last year. Staff numbers have increased from 106 to 173 during the 2019 financial year and we now employ over 200 people globally as we undertake a surge level of investment in Zeno for growth in North America. However, this spend is expected to normalise in the 2021 financial year and drive increased profitability through revenue uplift and economies of scale.

Addressing Un-Managed Travel Spend – Slide 14

Alongside our TMC partners we are now offering small and medium sized businesses an online booking tool that they can configure and manage themselves. This is referred to as the unmanaged travel opportunity.

In the past it was hard to get this market to use our platform because the cost to acquire and onboard the customer was more than the revenue the travel management company would make from securing this size of client. The small business also liked the direct appeal of the airline sites.

However, our self-onboarding technology combined with the new NDC distribution standard that is being adopted by airlines around the world, now offers the rich experience SME customers expect. It also offers this experience across a broad range of airlines and other travel related content.

SMEs, for the first time, will be able to easily create and overlay travel management policies on the vast travel content that is available. This will enable them to more easily discharge their duty of care arrangements with their employees. They will also be able to access savings through ensuring travel is vetted upfront.

This white label SME product is based on the serko.travel platform we released three years ago, which forms a base for Zeno that allows self-onboarding of small customers in an efficient way for the Travel Management Company to service the corporate. This is the product that powers Flight Centre's CTGO offering and Helloworld's Business.Travel offering.

The flexibility of the product has also opened up new and exciting reseller channels for our solutions that will allow non-travel partners, such as business service providers, that could add to the scale of our small business offering.

As I mentioned, success in the un-managed travel market provides upside opportunities in the medium term. We expect a large portion of our travel management resellers will, over time, start to adopt the self on-boarding technology and provide this to new market sectors and partners globally.

Market Place – Slide 15

The third leg of our strategy is our **Market Place**, allowing partners such as PredictHQ and FaceMe, to build into our eco-system of resellers and customers. These partnerships enable new revenue streams for all parties involved. It was fantastic to showcase these two New Zealand tech companies as part of the launch of the marketplace.

The recently announced alliance with FaceMe puts digital humans - highly realistic, visual representations of a virtual face created by software and driven by Artificial Intelligence - at the forefront of online corporate travel and expense management. The move to provide an Omni channel booking experience is a world first. You will be able to experience this feature in the product demos we will hold after the meeting.

Our AskZeno chatbot introduced conversational commerce and an integration point with enterprise collaboration platforms, and we believe the FaceMe virtual consultant is the next evolution of that. Meanwhile our alliance with PredictHQ gives corporate travellers intelligent travel demand forecasting with insight into planned events that could impact the cost of travel to a given destination.

These alliances build on relationships we have already established with Uber for Business, Booking.com and Expedia, among many others. As the range of services and the number of users grow, we benefit from a multiplier effect. We become an effective entry point for service providers to access the corporate travel market and all of this offers new opportunities to grow our ARPB.

We are now looking to accelerate the growth of this eco-system to enable more start-ups and partners to connect into our platform and scale the services available to our network. All content will be offered with security and controls that will give corporations the flexibility to manage the content and partners they want to work with. The marketplace also assists our travel management resellers to earn revenue off a wider range of partners as well.

Together these initiatives represent a compelling proposition. We have a strong record of growing our content and expense revenue which contributes to improving our ARPB over our base transaction revenue.

Environmental, Social & Governance – Slide 16

Before moving on to the summary and outlook, I want to spend a few moments talking about our Environmental, Social and Governance program, which is aimed at ensuring Serko does the right thing by our people, customers, community and our shareholders.

We aim to achieve this through:

- Focusing on long-term growth and business sustainability;
- Applying best practice governance and risk management procedures;
- Cultivating an inclusive workplace of diverse and engaged staff; and
- Enabling environmentally sustainable choices through technology

This programme is at the centre of Serko's culture.

We have some exciting plans that extend our current ESG program, particularly in terms of building our culture and promoting environmentally sustainable choices through technology.

Te Reo – Slide 17

Next month, during Maori language week, we will launch a full Te Reo language version of our Zeno platform.

As the travel technology platform adopted by the majority of corporate and Government organisations in New Zealand, we have a unique opportunity to support the introduction of the Maori language through day-to-day tools used in the workplace. We are proud to be taking a leadership position in the New Zealand technology industry with this initiative and hope it sets a benchmark that other companies will follow.

Also, as part of our ESG program we need to consider the environment and the impacts that travellers make on the world. To support this Serko will look at ways to assist our users to track and offset carbon emissions within the Zeno platform. This

will help travellers make the best choice at point of purchase, considering both the financial and environmental costs.

Outlook FY20 - Slide 18

So, to our summary and outlook. We are targeting \$100 million revenue in the medium term and this is going to come from three key sources:

1. In Australasia we will drive towards 5 million transactions per annum in the short-term and target an ARPB of \$7 in the current financial year.
2. In North America we see strong potential to progress towards the 5 million transaction target over the mid-term. Several of our resellers can support more than this level on their own, so achievement of the target is heavily linked to delivering them a robust platform.
3. Europe is growing but we also have to be realistic around the number of distinct countries and content connections that will be required to service this territory. However, the UK alone is three times the size of the Australian market – so staying focused on where we can be successful will be key.

We expect that when we reach our \$100 million revenue target, that this will result in a strong EBITDA margin upwards of 50% based on economies of scale at this revenue level.

We are comfortable that we have enough business signed or in the pipeline to meaningfully contribute to our goal of reaching \$100 million revenue within the medium term.

However, the rate at which this will be achieved is dependent on a number of factors including:

- Product build rates
- TMC readiness
- Corporate uptake and onboarding
- End-User uptake

Naturally, macro global political and economic events can impact the travel industry; and have flow-on effects to Serko's revenue. Accordingly, these events are monitored and reflected in to Serko's forecasting process.

It is for these reasons that the Board is focused on medium and long-term value creation and why we encourage our shareholders to share this focus, particularly as we enter new markets.

In terms of current trading trends:

- As already noted, we continue to expect operating revenue to grow between 20% and 40% for the full year to 31 March 2020.
- Our anticipated growth for the North American and European markets is currently forecast to commence in the second half of the current financial year. These are subject to firstly undertaking pilots, and then initial onboarding phases, that are unpredictable as to the timing and number of transactions. The ability to forecast the uptake rate is unknown, and as such it is too early to narrow our full year guidance range. We will seek to update the market as we progress during the year.
- While Serko strives to have positive EBITDAF, we are focussed on maximising long-term value. As such, we intend this year to balance increased spending with our ability to accelerate growth opportunities, which are expected to generate revenues in future years.
- We will continue to assess the opportunities that Serko has with the demand for the product and look for ways to accelerate that delivery.

I am happy to take questions now or talk to you after the meeting is completed. I will hand back to Simon to moderate any questions during the Q&A session.