



Market Release

20 December 2018

Serko Acquires InterplX to Expand North American Market Capability

Serko Limited (NZSX:SKO, ASX:SKO, “Serko”), a leader in integrated travel and expense management, today announced that it has acquired 100% of the ordinary shares in InterplX Inc, a provider of SaaS expense management software in the United States.

InterplX was founded in 1994 and is headquartered in Minneapolis, Minnesota, providing business expense management solutions including expense audit, payment processing and receipt processing to a range of organisations including several Fortune 500 clients.

The acquisition provides Serko with a North American customer service and technology development capability to support market expansion in the Northern Hemisphere, and augments Serko’s existing global support centres in providing a global 24/7 support footprint.

The InterplX suite of solutions includes strategic software assets for Automated Clearing House (ACH) payment, full audit and fraud detection software and capabilities which we expect to be of benefit to Serko’s existing customers.

It will continue to be run by its founder Chuck Buckner and existing management team, who will now report to Serko’s Vice President of North America, Tony D’Astolfo.

“We are very excited to be joining forces with a global leader in corporate travel and expense technology innovation,” said Mr. Buckner. “Our two companies are well aligned in terms of technical architecture and a high degree of customer service. The North American market is demanding a user-friendly alternative to the legacy providers and we are pleased to join Serko to create an integrated travel and expense offering that will fill that void.”

Announcing the transaction, Serko CEO Darrin Grafton, said this was an investment to support Serko’s global growth strategy, “We’re delighted to announce this acquisition, and to welcome the people and customers of InterplX into the global Serko family. We were deeply impressed by the quality of the technology and the high service levels and customer retention that Chuck and the team have achieved, and we look forward to further building on InterplX’s strong pedigree in market.”

While the exact terms of the agreement are confidential, the consideration payable of US\$2.5 million is to be fully satisfied via the issue of Serko fully paid ordinary shares, with 50% of the stock issued at completion (573,922 shares issued at NZ\$3.30) and the remainder issued subject to revenue targets being achieved through to December 2019. The first tranche of shares to be issued are subject to an escrow period restricting the shares from being sold before 30 June 2019.

This transaction will add to Serko’s revenue through the continued provision of expense management solutions. Due to the completion date being close to the end of the current financial year the expected revenue contribution remains within Serko’s existing guidance of 20% - 30% revenue growth and EBITDA guidance for FY19. The revenue uplift impact in FY20 associated with this acquisition is expected to be between \$2.5 million

to \$3.5 million NZD. Serko will provide guidance for the FY20 year when it releases its FY19 results in May 2019.

The first and second tranche of shares will fall within Serko's placement capacity and will be issued pursuant to NZX Listing Rule 7.3.5 and, in the case of the second tranche, new NZX Listing Rule 4.5.

ENDS

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About Serko

Serko is a leading travel and expense technology solution, used by over 6,000 corporate entities and Travel Management Companies (TMCs) who combined book more than A\$6bn of travel a year through Serko's platforms.

Zeno is Serko's next generation travel management application, using intelligent technology, predictive workflows and a global travel marketplace to transform business travel across the entire journey.

Listed on the New Zealand Stock Exchange Main Board (NZSX:SKO) and the Australian Securities Exchange (ASX:SKO). Serko employs more than 160 people worldwide, with its HQ in New Zealand, and offices across Australia, China, India and the U.S.

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