



serko

FY16 Interim Results Presentation

6 months ended 30 September 2015

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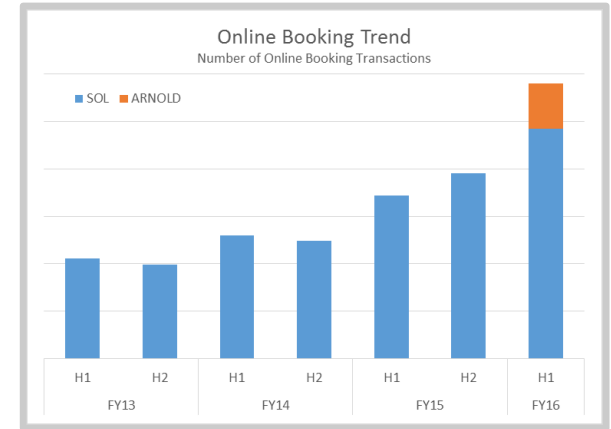
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1H16 Highlights



- Continued growth in online bookings
- Tracking to US\$5bn* transacted across platform FY16 (from US\$3bn in FY15)
- Completed acquisition and integration of Arnold
- New revenue opportunity from content agreements
- Serko Incharge growth rate doubled from FY15



Arnold



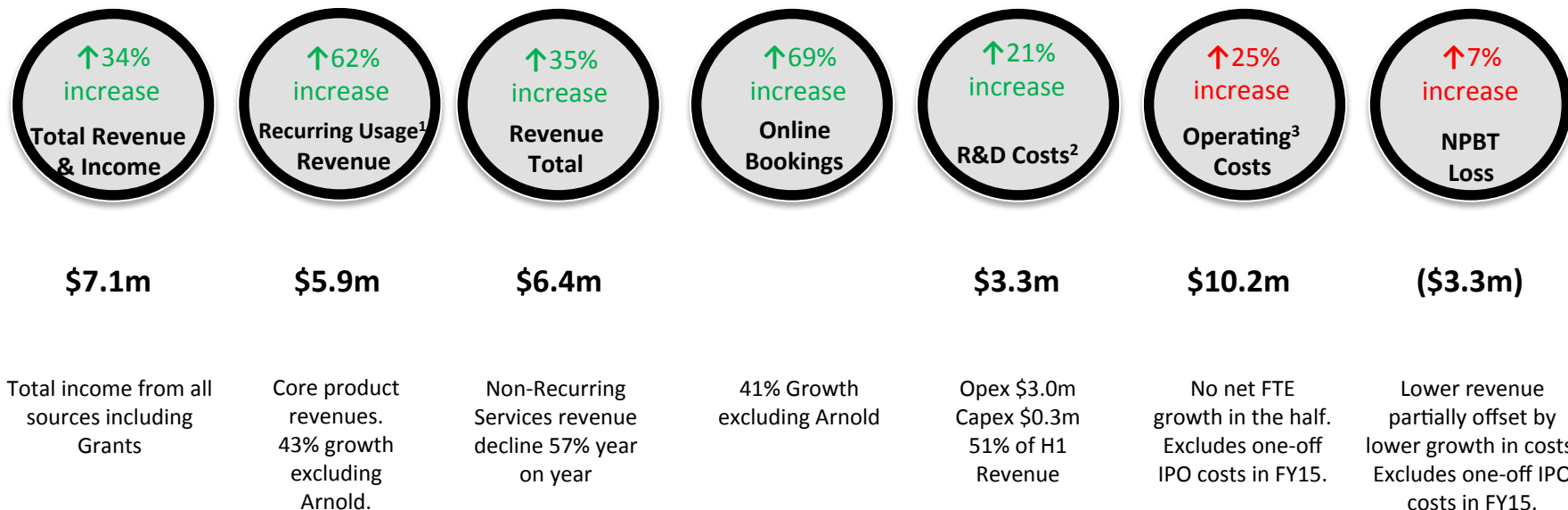
Expedia®

Booking.com



*Estimated value of total transaction value (TTV) of bookings processed through Serko's platform

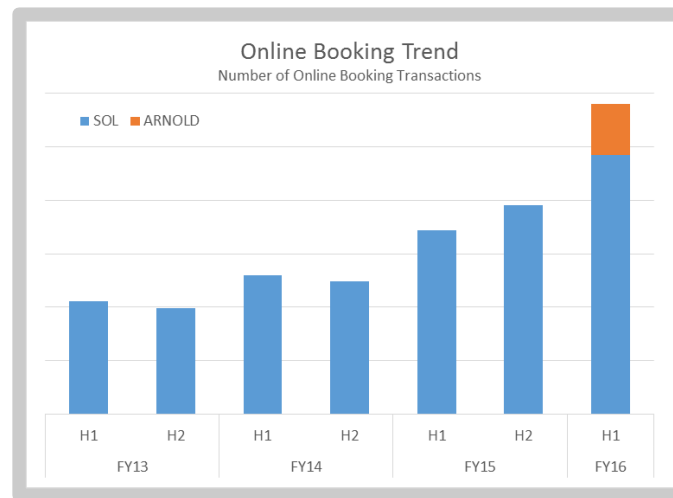
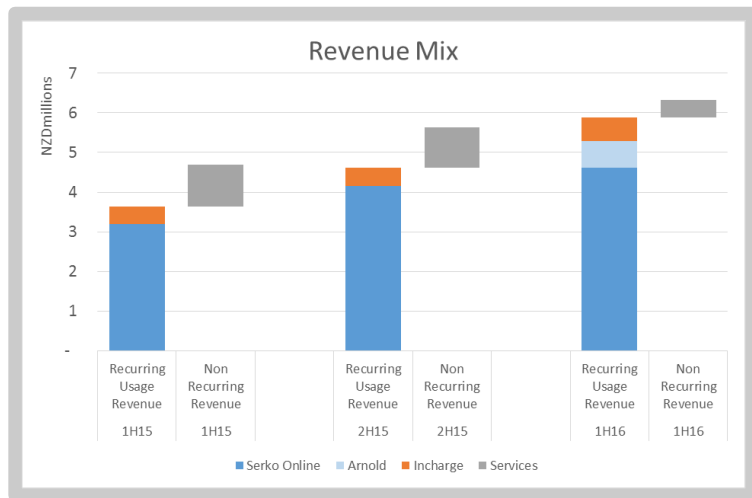
Performance summary (1H16 vs 1H15)



1. Recurring Usage revenue is the recurring revenue derived from transactions and usage of Serko products by contracted customers. It excludes revenues from customised software development.
2. R&D (Research & Development) costs is a non-GAAP measure representing the internal and external costs related to R&D
3. Operating Costs is a non-GAAP measure which excludes costs relating to taxation, interest, depreciation and amortisation

Performance Trends

- Recurring usage revenues have increased by 62% in the period (1H16 vs 1H15), driven by a corresponding 69% increase in Online Bookings and 29% growth in expense management usage
- Recurring usage revenues now represent over 90% of total revenue compared to 80% in FY15.



1H16 Financial Summary



| NZD \$'m | 1H16 Actual unaudited | 1H15 Actual unaudited | 1H16 PFI | FY15 Actual Audited |
|--------------------------------|-----------------------------|-----------------------------|-------------|---------------------------|
| <i>Online Revenue</i> | 5.3 | 3.2 | 5.8 | 7.3 |
| <i>Incharge</i> | 0.6 | 0.5 | 1.2 | 0.9 |
| <i>Services</i> | 0.5 | 1.1 | 1.3 | 2.1 |
| <i>Other Income</i> | 0.7 | 0.6 | 0.2 | 1.4 |
| Total Revenue and Other Income | 7.1 | 5.3 | 8.5 | 11.8 |
| EBITDA ¹ | (3.1) | (2.9) | (2.2) | (5.4) |
| Net Loss After Tax | (3.4) | (3.6) | (2.5) | (6.5) |
| Cash at Bank | 2.5 | 8.3 | 2.5 | 4.5 |

Results within revised guidance range provided at 2015 Annual Meeting.
Cash managed to PFI.

1. EBITDAs is a non-GAAP measure representing Earnings Before the deduction of costs relating to Interest, Taxation, Depreciation and Amortisation

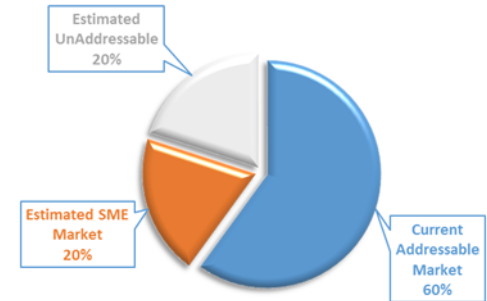
Strategic Theme 1: Grow User Base

Completed in 1H16:

- Increased online transactions by 69% (1H16 vs 1H15)
- Acquisition of Arnold brought forward the addition of customers we were actively targeting over the next 12-18 months
- Added four new resellers including BCD Travel, the last major global Travel Management Company without a Serko Online reseller contract
- Incharge revenue growth of 29% (1H16 vs 1H15). Growth rate doubled from FY15

Underway for 2H16:

- Continue to build Incharge sales pipeline and on-board new clients
- Continued on-boarding of new SOL customers
- Development and pilot of online travel booking product for small and medium sized businesses (SME) to extend Serko addressable market



Australian Corporate Travel Market
Total Annual Spend (TTV) ~US\$25bn*

* Source: GBTA

Strategic Theme 2: Increase revenue per-booking



Completed in 1H16:

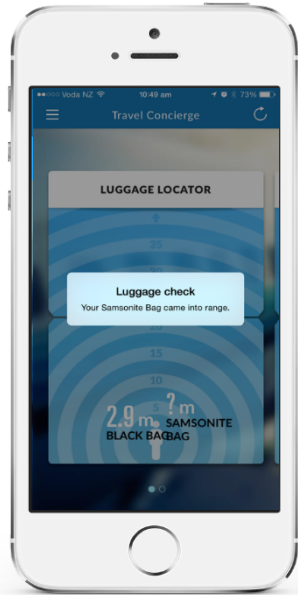
- Signed content agreements with Expedia Inc, Booking.com, Air New Zealand Taxis
- Delivered first phase of hotel content integration into Serko Online capturing low cost hotel booking and compliance
- Launched Serko Mobile into the Google/Apple App Stores

Underway for 2H16:

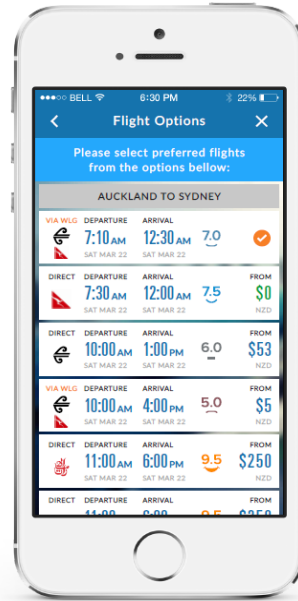
- Launch of “Best Rate of The Day” Hotel feature, enabling users to simply select the best hotel rate for their travel dates
- Integration and launch of Airport Transfer booking capability into Serko Online with Air New Zealand Taxis (NZ market) and Get Picked Up chauffeurs (Australian market)
- Commencement of new supply-side commission revenue



Strategic Theme 3: Innovation



Baggage Locator



Mobile Booking

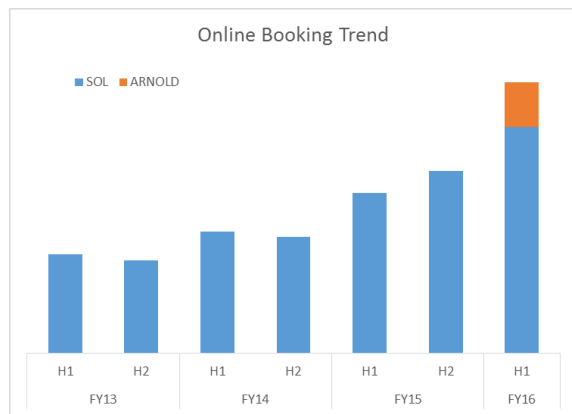
**BEST RATE
OF THE DAY**

 Expedia  Booking.com  wotif

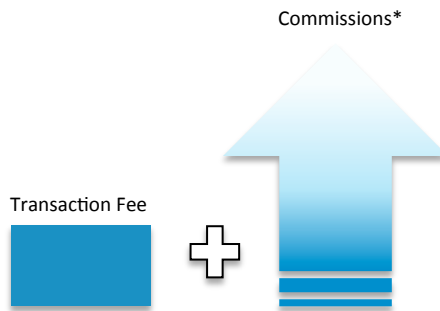
Hotel Price Comparison

Serko has increased investment in product development to deliver our mission to transform the way corporate travel is offered and supported within the industry

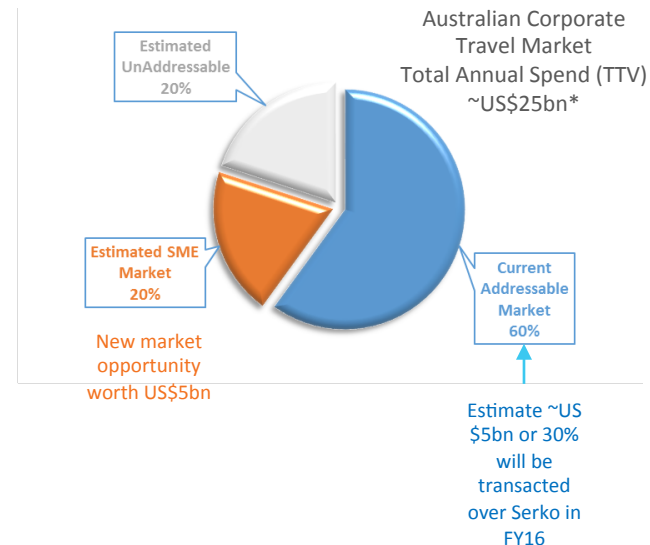
Outlook - Foundations Built



Revenue per Booking Potential



* Commissions from qualifying transactions



Strategic plans are on-track:

- ✓ Core online booking growth trend continues
- ✓ The building blocks (Supply Agreements) are in place to enable average per Booking Revenue to increase
- ✓ The technology for key new product releases is now in the commercialisation phase
- ✓ We have developed a viable solution to extend our reach to small-medium sized businesses, thus increasing addressable market, which we plan to launch at the beginning of FY17.

* Source: GBTA

- Commercialisation of new products:
 - Early signs from resellers are encouraging
 - However roll-out period now expected to run deeper into 2H16
- Revenues:
 - Recurring usage revenues are on track to deliver over 50% year-on-year growth in FY16
 - As previously signalled, non-recurring services revenue has fallen 57% in 1H16. We now anticipate this could equate to a \$1.3m revenue decrease for services in the full-year compared to FY15
- Revenue Guidance:
 - Guidance provided at the Annual Meeting was for FY16 revenues of around \$16m
 - We now are fully reflecting the lower expectation for non-recurring services revenue and longer lead times for the commercialization of new products
 - Consequently we may see a negative shift in revenue expectation for FY16 of up to 15% lower than guidance at the AGM
- The company is considering options to raise some additional capital to support the company's growth aspirations and the roll out of product initiatives
- The company now expects to reach its goal of breakeven at the end of FY17



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expense management for business