

serko

Annual Shareholders Meeting – 18 August 2021

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Chairperson Welcome

Claudia Batten



SERKO'S BOARD



Claudia
Batten



Simon
Botherway



Clyde
McConaghy



Darrin
Grafton



Bob
Shaw

ORDER OF MEETING

Chairperson
Address

CEO
Address

Shareholder
Q&A

Formal
Business &
Resolutions

General
Business

Chairperson Address

Claudia Batten

OUR MISSION

We're on a mission to connect the world's business travellers with the universe of travel content, providing travel buyers with the content, information and services they need at every stage of the journey to create a connected trip.



FY21: WEATHERING THE PANDEMIC

PROFIT (LOSS)

(\$29.4m)

NET LOSS AFTER TAX

\$(22.3m)

EBITDAF¹ loss

REVENUE

-52%

↓ DECREASE

OPERATING REVENUE

\$12.4m

Operating revenue from core products plus services revenue

-53%

↓ DECREASE

RECURRING REVENUE²

\$11.3m

Recurring revenue (core product revenue only)
91% of total operating revenue

-37%

↓ DECREASE

TOTAL INCOME

\$16.9m

Total income from all sources including grants

ACTIVITY

-37%

↓ DECREASE

PEAK ATMR³

\$17.2m

Indicator of future growth potential based on current trading

-63%

↓ DECREASE

TRAVEL BOOKINGS

1.57m

Travel platform bookings for the period

COSTS

-22%

↓ DECREASE

R&D COSTS⁴

\$10.6m

86% of Revenue
Opex \$3.4m
Capex \$7.2m

21%

↑ INCREASE

OPERATING EXPENSES

\$44.9m

Net FTE⁵ increase in the period of 54 to 287 employees

Notes 1-5: Refer to Appendix for definitions.

Refer to Serko's latest earnings announcement for descriptions of the non-GAAP measures used by management.

INVESTING FOR THE OPPORTUNITY

\$65

MILLION

New equity raised
in oversubscribed
capital raising

\$68.6

MILLION

Cash on hand at
the end of
July 2021

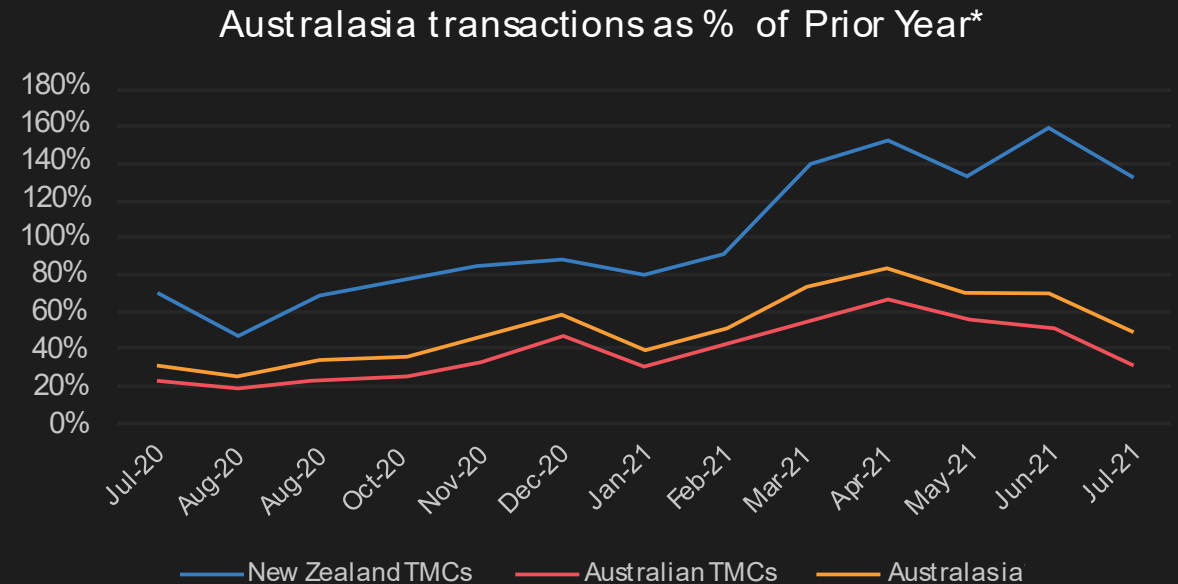
\$2.6

MILLION

Average Cash
burn /month
Q1 FY22

WHILE MANAGING FOR UNCERTAINTY

- New Zealand domestic travel bookings have remained very strong, exceeding pre-Covid levels.
- Australian domestic travel bookings have continued to fluctuate.
- We are prudently managing our capital. Cash burn averaged \$2.6 million/month through Q1, within our guidance range of \$2 million to \$4 million.



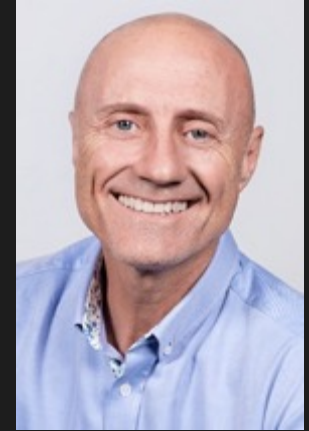
*Jul-20 to Feb-21 is against prior year. From Mar-21 it is measured against the same month in 2019 as that timing represents a Pre Covid-19 measure.

GOVERNANCE EVOLVING AS WE GROW

Driving to be a more responsible organisation through the incorporation of Environmental, Social and Governance practices and disciplines into our strategy and organisation.

Continuing to strive towards best practice remuneration and diversity policies.

Managing board succession to deliver the skills the evolving organisation needs.



Simon
Botherway



Jan
Dawson

OUTLOOK



- We remain optimistic travel will recover and we are investing to position Serko for that recovery.
- The extent and pace of the recovery is uncertain.
- Our expansion into new markets will continue, with a weather eye on trading conditions, and keeping our cash burn within our guidance range.
- As we complete the Booking.com for Business migration and European business travel resumes after the summer break, we expect transactions to increase on this platform, resulting in material revenue over the second half of the year. We will continue to update the market on key metrics and trends as we conclude the migration.
- We continue to be unable to forecast revenue for the FY22 year with any certainty at this time.

CEO Presentation

Darrin Grafton



THE BUSINESS TRAVEL EXPERIENCE STILL SUCKS

Booking a trip is complex. It involves engaging with multiple suppliers, interpreting complex, disparate information and accessing numerous apps or tools.

Choice can be overwhelming. Simple changes can be frustrating. Post-trip reconciliation can be maddening.

It's no wonder most people complain that business travel is a chore.

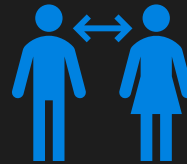


MARKET CONDITIONS THAT CREATE THE OPPORTUNITY FOR SERKO



The business travel supply chain is highly fragmented.

There is no simple way for buyers to get everything they need in one place, with one profile, through a single application.



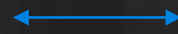
The business travel market of buyers is highly dispersed.

There is no simple way for sellers to access the full spectrum of business travel buyers from SMEs to Enterprise in a single distribution channel.



ZENO BRINGS TRAVEL SUPPLIERS AND TRAVELLERS TOGETHER

The world's **travel content**



The world's **business travel buyers**

CONTENT

Air
Rail
Accommodation
Rental Car
Airport Parking*
Airport Transfers
Dining*
Meeting Rooms*

SERVICES

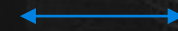
Carbon Offset*
Risk Management*
Travel Budget
Expense Management
Disruption*
Insurance*

zeno



- Simple
- Personalised
- Unified
- Controlled

UNMANAGED



MANAGED

Individual
Business
Travelers

SMEs

Corporates

Enterprise

**These content and service offerings are planned or in development*

Our plan on a page

OUR VISION

The reinvention of business travel retailing with the world's first business travel marketplace.

OUR MISSION

We're on a mission to connect the world's business travellers with the universe of travel suppliers, providing travel buyers with the content, information and services they need at every stage of the journey to create a connected trip.

STRATEGIC SUMMARY

Leverage our strength in A/NZ to expand into international markets through strategic alliances that enable the business model transformation from an OBT to a B2B Marketplace.

OUR 5 STRATEGIC PILLARS

1

A/NZ

Expand A/NZ customer base through continued investment in product innovation.

2

NORAM

Enter the NORAM market through TMCs and by capturing direct corporate clients.

3

BOOKING.COM

Become the leading digital business travel platform for SME's in partnership with Booking.com.

4

BUILD OUT THE MARKETPLACE MODEL

Scaling the technology platform to enable connectivity to a broader range of partners.

5

BUILD TEAM SERKO TO ENABLE SCALE-UP

Acquire and develop talent and create the organisation foundations for a successful scale-up.

CONSOLIDATING OUR LEADERSHIP IN A/NZ

Expanding A/NZ customer base through continued investment in product innovation.

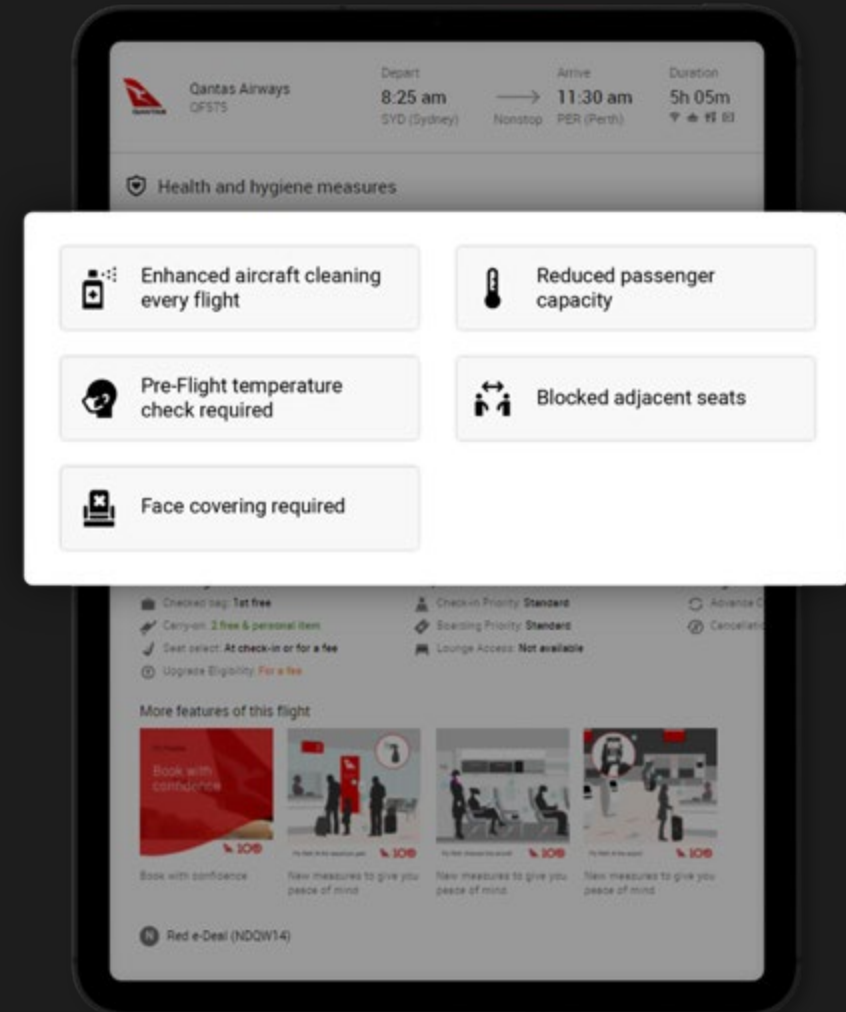
Driving ARPB¹ growth in Australasia with value added content including:

- Carbon offset²
- Covid risk mitigation²
- Enhanced corporate travel policy compliance²
- NDC airline content

New Zealand domestic travel recovering well, but Australia tempered by ongoing lockdowns.

¹ARPB refers to Average Revenue Per Booking.

²These content and service offerings are planned or in development.



DRIVING INTO NORTH AMERICA



¹Source: Statista, Number of domestic leisure and business trips in the US 2008 - 2024
<https://www.statista.com/statistics/207103/forecasted-number-of-domestic-trips-in-the-us/>

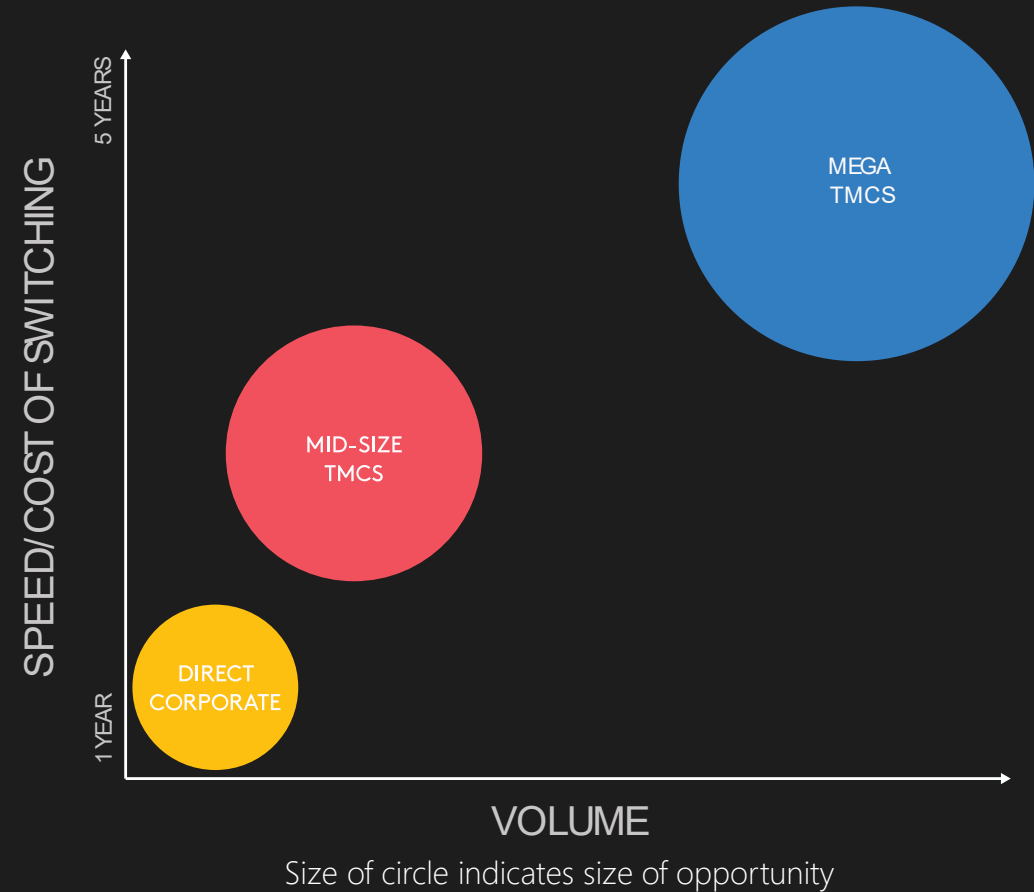
DRIVING INTO NORTH AMERICA

Validation phase in North America is complete, Zeno brand now has a presence in market that is driving pipeline growth.

Three market segments:¹

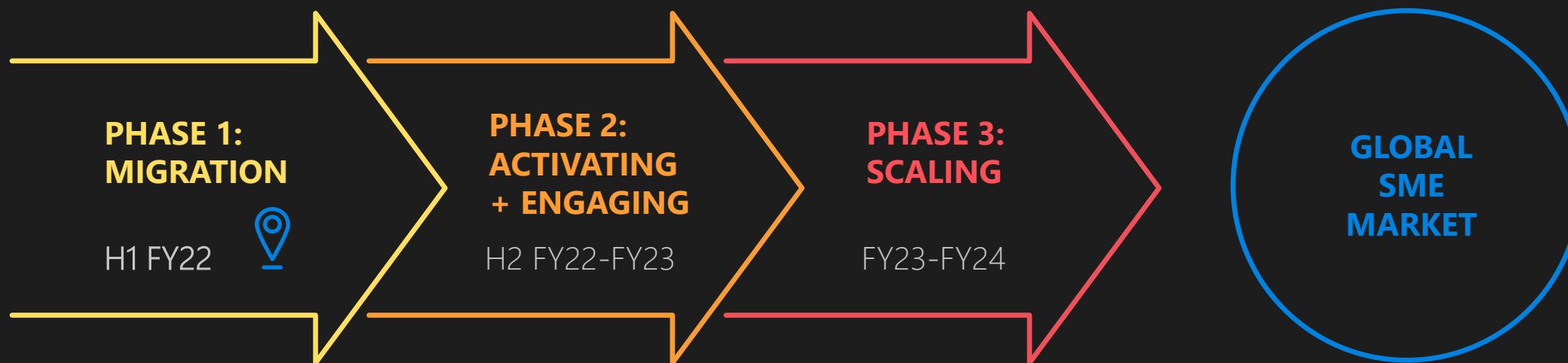
- Mega TMCs (~75% market share)
- Mid market TMCs (~25% market share)
- Direct to Enterprise (Fortune 500)

Representation of the US managed travel market segmentation



¹Source: Statista, Leading travel management companies in the United States in 2019, by share of air ticket transactions
<https://www.statista.com/statistics/202250/air-ticket-transactions-of-travel-management-companies/>

BOOKING.COM FOR BUSINESS: A GLOBAL SME SOLUTION



BOOKING.COM FOR BUSINESS

Connected trip (Accommodation + Flight) now available in 15 countries.

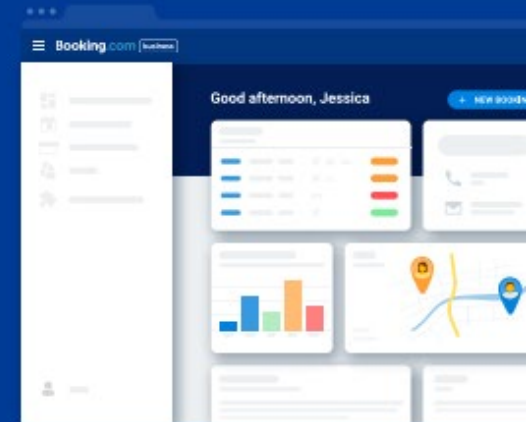
More than 200,000 activated businesses on the platform.

Over 5,000 new customers acquired in July.

Users in 180+ countries across 10 languages.

Booking.com **business**

Meet your new travel assistant



Booking.com for Business is the everybody- wins travel platform. Book complete trips and pick from one of the broadest selections of stays and transportation options.



All-in-one

Book end-to-end trips including transportation and accommodations



Faster

Faster bookings with AI power and express check-out



Cheaper

Great prices with no booking fees or platform costs



Safer

Know exactly where your travelers are staying anytime



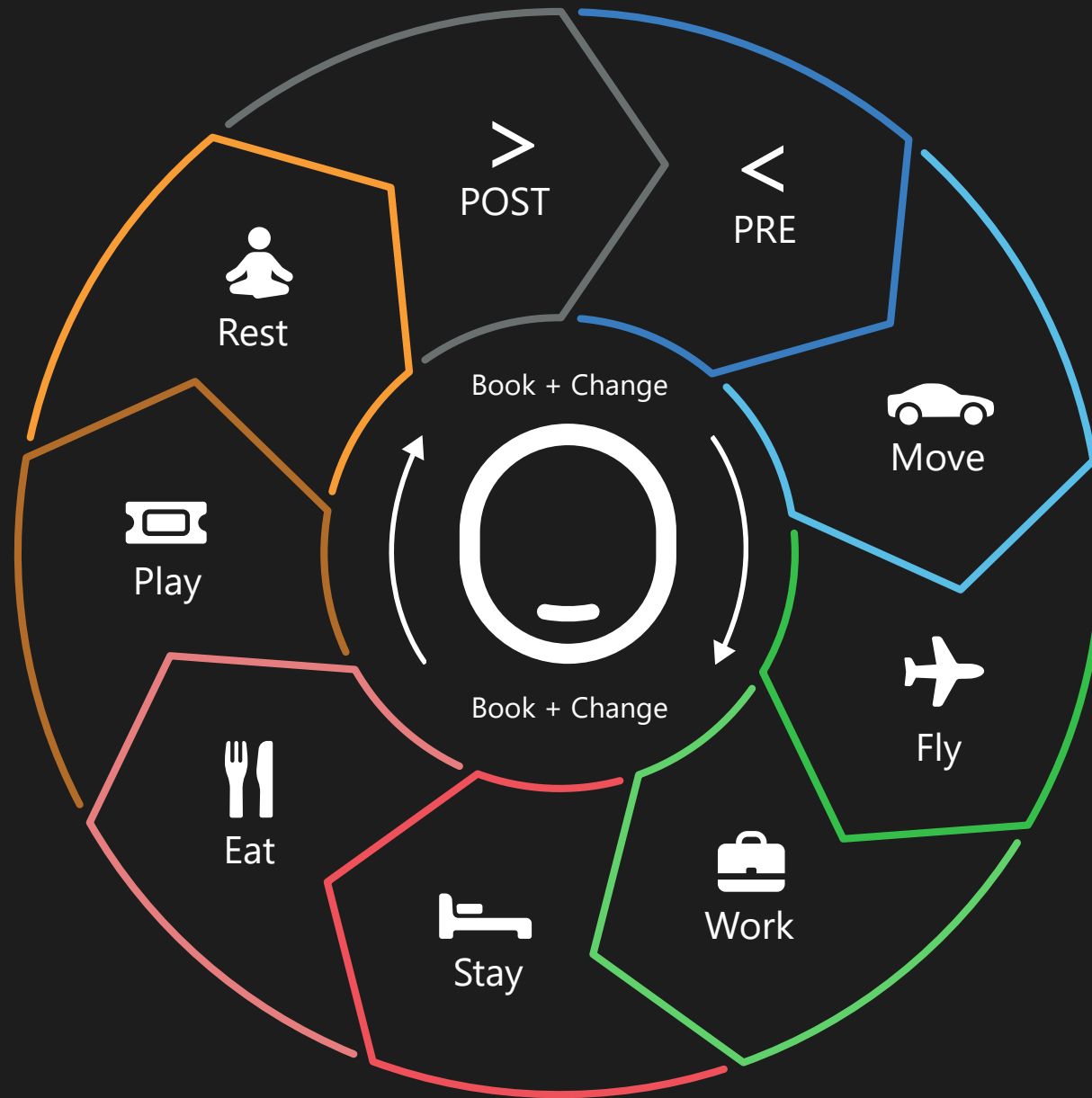
Happier

Delight all business stakeholders, from travelers to the CFO

Business travel solved for all

for individuals | for teams | for companies like yours

BUILDING OUT OUR CONNECTED TRIP VISION



SCALING TEAM SERKO

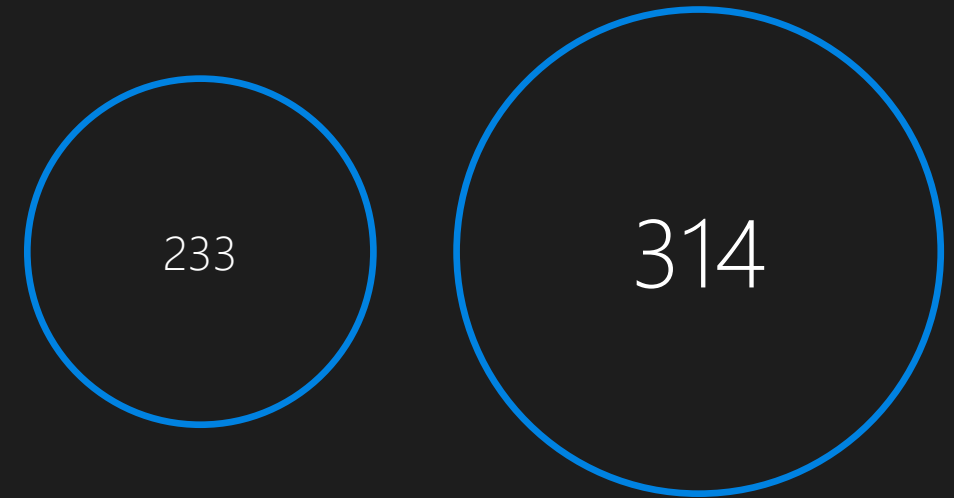


Shane Sampson
CHIEF FINANCIAL OFFICER



Rachael Satherley
CHIEF PEOPLE OFFICER

In FY21 we added 81 FTEs to Serko's global workforce*



*As at 31 July 2021

zeno

Well positioned for the eventual recovery in global markets as we scale up to achieve our global ambitions.



New Zealand performing well, Australia expected to follow as public health conditions stabilise.



Our North American business is positioned for the travel recovery.



Our partnership with Booking.com for Business is progressing well. We are in the final stages of migration which, once complete, will give us a better idea of booking trends.



We have made great progress scaling our people and systems for growth.

ersonal use only

THANK YOU

APPENDIX

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 is a non-GAAP measure and is the recurring revenue derived from transactions and usage of Serko products by contracted customers. It excludes revenues from customised software development (services revenue).
- Operating revenue is a non-GAAP measure excluding income from grants and finance income, while total income includes grants.
- R&D (Research & Development) costs is a non-GAAP measure representing the internal and external costs related to R&D both expensed and capitalised.
- Operating Costs is a non-GAAP measure which excludes costs relating to taxation, interest, depreciation, and amortisation charges.
- 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.

Market Release

18 August 2021

2021 Annual Meeting Addresses

The attached addresses will be given at Serko's Annual Meeting which is to commence at 2.00pm today (18 August 2021) and is being held online at <http://www.virtualmeeting.co.nz/sko21>

Chair's Address - Claudia Batten

Good afternoon.

A year ago I officiated over this meeting in my capacity as interim chair from my home in the United States.

At the time my biggest concern was whether my Los Angeles Wi-Fi would hold up for the meeting. A year later, I am still concerned about the Wi-Fi connection!

I was looking forward to seeing you all live today but once again we are adapting our plans. And, I might add, doing it with a smile. This year we are all beaming in. From Australia: our Sydney-based Director, Clyde, and also Executive Director, Bob, who is also presently in Sydney. And, of course, the rest of the board from New Zealand. This is an emblem of the shifting sands we have had to navigate over the past year.

I took over Serko's Chair acting in an interim capacity in April 2020. The 18 months since have been among the most challenging in the company's history.

In a year when our industry has been shaken to its core, we have been forced to confront questions that we had previously only considered out of academic curiosity.

None of this has dimmed my excitement about Serko's potential and my confidence in its future. Despite the challenges of the pandemic, we have seen strong interest in Serko's product globally as resellers, corporates and airlines look for smarter, more automated ways to book business travel.

Our Mission

Serko is on a mission to connect the world's business travellers with the universe of travel content, providing them with the information and services they need at every stage of the journey to create a connected trip.

Throughout the past year the Board and management have tested, evolved and strengthened our strategy. This work will continue as the global travel market continues to change shape through the various stages of recovery.

Through our Zeno platform, business travellers can book airlines, trains, rental cars, airport transfers, and more through a single interface. Employers can efficiently manage their budgets and have assurance from a system that delivers on their responsibilities to their staff.

Even before the pandemic, we knew our solutions answered a pressing need for businesses globally.

However - what is perhaps less appreciated - is that the pandemic has delivered Serko the opportunity to refine and stretch our strategy based on the new realities of business travel.

Darrin will talk more on this shortly. First, I want to walk you through the 2021 financial year and then discuss the outlook for the remainder of the financial year and beyond.

Weathering the pandemic

From the 2021 financial year we know both what an immensely challenging year looks like and also that the Serko team has an immense ability to rise to a challenge.

Our options were to retrench and wait out the storm or to lean into our development path and strive to get ahead of the eventual market recovery. Based on our assessment of current and changing market needs, we chose to steer into the storm. We were continually encouraged by this decision with key market partners, including our partner Booking.com, searching for solutions as their businesses changed.

This has included a major and deliberate increase in investment in our platform. Staff numbers – principally software engineers - have grown from 233 at the start of the year to 287 at the end of the financial year. We continue to grow the organisation to meet the demand. At the end of July 2021, the team had grown to 314.

Total income for the year to the end of March was down 37% to \$16.9 million as recurring revenues fell 53% and bookings on our platform fell 63%.

We conservatively reduced the extent to which we capitalised costs to reflect the uncertain environment in which we continue to operate and actively managed our cash-burn within the guidance range of between \$2 million to \$4 million average monthly burn.

Our 2021 results reflect a constant and deliberate balancing of investment and prudent cash management. An approach that navigates the often-competing imperatives of investing for opportunity while managing for uncertainty.

Investing for the opportunity

We believe that Serko is well positioned to not only recover to previous volume levels but to materially increase transactions in a post-vaccination world where domestic and international travel is largely unimpeded.

Our stated plan continues to be to become a global player. This is underpinned by our well-established Australasian business and we are building a comparable reputation across our international markets.

Retraction in global travel markets has forced significant change upon our TMC partners. They are now operating with fewer people, and this is creating opportunities for automation and technology solutions such as Zeno.

Corporations, meanwhile, are increasingly focussed on the costs and administration of their travel and expense budgets. And in the face of Covid-19 are much more focussed on traveller wellbeing and their 'duty of care' obligations.

We have established a strong platform for growth in North America and are well positioned to grow into the recovery in that market. Darrin will provide more detail on this shortly.

Our partnership with Booking.com offers the potential for a major step-up in transaction volume. We have invested to transition Booking.com's customers onto our platform. We are now well positioned as the migration enters its final stages and travel gradually resumes.

These collective opportunities were the basis of our well supported capital raise of \$65 million in new equity. This raise provided the resource and capacity to execute on our strategic priorities and position the company for growth when business travel normalises.

Thanks to the capital raise and careful cash management, we ended the year with a cash balance of \$80 million and at the end of July it stood at \$68.6 million.

While managing for the uncertainty

That said, our operating environment has become a lot more complex.

We used to think of currency fluctuations as one of our bigger macro-economic considerations. Today we need to consider things like vaccination rates, vaccine efficacy and the characteristics of new virus variants.

New Zealand domestic travel bookings have remained very strong; to date exceeding pre-Covid levels. However, we will be closely watching what happens in New Zealand given the community case announced yesterday. Australian domestic travel bookings have continued to fluctuate due to the intermittent tightening of inter-State travel restrictions.

Our strategy for growth and, importantly, our capital management plans must account for disruptions of the type we have recently seen here at home and continue to see in our new markets.

As I mentioned earlier, we have carefully managed our cash reserves to within the guidance range of between \$2 million to \$4 million. The higher end of the cash burn range allows for Serko to continue prudently investing in growth opportunities amid market disruption. As markets re-open, higher revenue will result in lower cash burn. We are following the same approach this financial year. In the first quarter of this financial year we averaged \$2.6 million cash burn per month and we have a clear framework to guide investment through the next 12 months.

Governance at Serko

We are building to a future when Serko is a considerably larger company. It is this thinking that is driving the governance at Serko.

Our current governance priorities are:

- Driving to be a more responsible organisation through the incorporation of Environmental, Social and Governance practices and disciplines into our strategy and organisation. Today, through Zeno, our customers can, among other things, select flights and hotels that have enhanced cleaning protocols to address the risks of coronavirus and soon will be able to monitor and offset the carbon emissions of their travel. We are also looking for ways in which our own business can continue to reduce its carbon footprint.
- Continuing to strive towards best practice remuneration and diversity policies. During the year, Serko undertook a full review of our remuneration strategy, implementing changes to better connect performance and reward. We also reviewed our approach to inclusion and diversity, adopting more ambitious measurable objectives which target (among other things) achieving greater diversity within Serko's Board and management by March 2023 of 40 40 20 and targeting broader diversity of thought and representation.

- Managing board succession to deliver the skills that our rapidly evolving organization needs. As you will see from the resolutions we are putting before you today we are seeking to recruit a fourth independent director to support the business as it scales. We expect this appointment to be internationally based and have significant experience in scaling businesses globally.

Meanwhile directly after this meeting we welcome Jan Dawson to the board.

Jan is currently Chair of Westpac New Zealand, Deputy Chair of Air New Zealand and also an independent director for AIG New Zealand and Meridian Energy.

We are delighted she has agreed to join the company. She will become the chair of Serko's Audit and Risk Committee and brings to the company a passion for building great companies and the deep governance and financial markets expertise necessary to Serko achieving its global aspirations.

She also offers us continuity, replacing Simon Botherway, who steps aside at the conclusion of this meeting after nearly eight years as an independent director, including nearly seven years as Chair of the Board.

It is an understatement to say that we are sorry to see Simon go.

He has provided a benchmark for excellent governance. He has been pivotal in helping Serko grow into a standard for the New Zealand technology industry and a company with global potential.

He has also been a great personal mentor.

So, Simon - on behalf of shareholders – thanks doesn't seem enough but – thanks! And on behalf of directors and the whole team of Serko, thanks again for your support, your guidance, your high standards and your good humour.

Outlook and Summary

Looking ahead...

We remain optimistic about the prospects for a recovery, particularly in Australia, but also in global travel and we are investing to position the company for that recovery.

It's an understatement to say that the extent and pace of that recovery is uncertain.

Our expansion into new markets will continue, with a weather eye on trading conditions, and keeping our cash burn within our guidance range.

We continue to be unable to forecast revenue for the FY22 year with any certainty at this time.

As we complete the Booking.com for Business migration and European businesses return from their summer holidays, we expect transactions to increase on this platform, resulting in material revenue over the second half of the year. We will continue to update the market on key metrics and trends as we conclude the migration.

Before finishing, I want to thank my fellow directors for the support and guidance over what has been an immensely challenging year.

I also want to offer my thanks to Darrin, his team and the broader Serko family.

At the INFINZ dinner this year, the country's premier finance awards, Darrin was recognised for outstanding leadership. It was fitting recognition for the way he and his team have built a culture that - in the face of immense challenge – navigated the crisis and delivered while maintaining the excitement and enthusiasm for our shared purpose.

Team Serko, your commitment to the company was and is pivotal to achieving the global future we are pursuing. We have a strong and committed team. On behalf of shareholders and the Board I thank you.

I will now hand you over to Darrin.

CEO Address - Darrin Grafton

Thanks Claudia and welcome everyone.

The Pandemic has added new complexities to business travel and through these complexities we are seeing the opportunities emerging that will help Serko to scale.

Twenty years ago, business travel was a simple exercise of walking onto a plane.

Then in 2001 the world changed. The World Trade Centre fell, and we grew accustomed to traveling with less liquid and taking off our shoes, jackets, belts.

Now 20 years on the world has changed again. We face travel with masks, vaccination passports, carbon offsets. We also want trains, planes and automobiles to come with an assurance that they are deep cleansed and virus free.

We want travel costs to be controlled, to know that our employees will be safe when they travel and that our companies can mitigate their impact on the environment.

COVID has brought to the forefront the need for technology, a system that allows businesses to manage their employees travel, but marries that with the modern shopping and consumer experience we have all come to expect.

This is Serko, this is Zeno.

<Play video>

The business travel experience still sucks

Booking a trip for most business travellers around the world is becoming more and more complex.

It involves engaging with multiple suppliers, interpreting complex, disparate information and accessing numerous apps or tools.

Choice can be overwhelming, simple changes can be frustrating, Post-trip expense reconciliation and dealing with disruptions can be maddening.

We have been delivering innovative ways to manage these complexities locally to gain the market share we have today.

But the need for technology like ours on the world stage has become a focus and it is this opportunity we now seek to capitalise on.

Market conditions create the opportunity for Serko.

In many ways the complexities of this industry reflects the market.

The business travel supply chain is highly fragmented. There are multiple airlines, multiple car rental companies, multiple hotel chains offering disparate prices and plans, and these are constantly changing.

Add to this other business essentials, such as finding the right restaurant to take a client or a meeting space at short notice while you are in a foreign city. A simple trip rapidly becomes a logistical challenge.

It is the same for suppliers. There is no simple way for them to get their product in front of business travellers. Your flight, your hotel room, your rental car is offered across multiple channels often at different prices, creating confusion or at worse distrust.

Zeno brings travel suppliers and businesses into a single market

Zeno solves these problems.

We bring clarity and simplicity to systems that were never designed for a consumer or business traveller application. We bring technology and mobility together to remove the complexity and stress of business travel.

Zeno is not just a product or platform, it is a technology that creates a marketplace, a venue where business travellers and business travel suppliers connect and transact.

Through a global network of alliances, we funnel travel content and travel services into our marketplace – from air travel, hotels and airport transfers through to carbon offsets and risk and travel budget management.

Zeno is the consolidated store front to a broad range of business travellers.

At one end of the spectrum, we help small businesses and individual travellers who access our platform directly, providing travel as a service; a new modern approach to managing travel built using the connected trip. All bookings are made and later managed through a single interface.

At the other end we help the world's largest enterprises manage employee travel, ensuring bookings align with their corporate policy boundaries and meet their duty of care.

We reach these different segments of travellers through our alliances around the world.

Zeno is a store front for our TMC partners and is now powering the likes of Flight Centre with Savi, Orbit with Orbit Online and of course Booking.com for Business.

In the last 12 months our technology has reached into more than 180 countries in 10 languages. More than 200,000 small businesses and around 5,000 currently active enterprise and government customers are on our platform. It has set a new benchmark for what is possible in addressing the global business travel market.

What is truly exciting is that we are just at the start of our journey with Zeno.

In the face of the pandemic we have been laser focused on our strategy, defining our ladder to success and executing towards this plan. We have a clear and achievable plan for Serko to become a truly global player, although timing remains uncertain in the face of Covid.

Our plan on a page

Our vision is the reinvention of business travel retailing with the creation of the world's first business travel marketplace.

Our mission to make that a reality is to connect the world's business travellers with the universe of travel content, information and services they need at every stage of the journey to create a connected trip.

It's a big vision and one we are pursuing in a deliberate and focussed way.

In practical terms this means leveraging the strengths of our core home markets to expand into international markets through strategic alliances.

The building blocks on this journey are consolidating our position in Australasia, building out our position in North America, capturing the potential of our partnership with Booking.com, and putting in place the infrastructure that will allow us to scale up to the volumes we anticipate flowing through our platform.

This strategy enables us to focus on a three-prong approach to success which is broken down into:

- Growth in ANZ in both transactions and Average Revenue Per Booking,
- Growth in the Northern Hemisphere via both direct corporate deals and TMC resellers; and
- our small business platform which has started its journey powering Booking.com for Business.

I will now cover how each of these markets are positioned and where we are in the journey towards our mid-term target of \$100m.

Consolidating our leadership of ANZ

Our strong position in Australasian travel markets underpins the group and while we have a large market share, this region still offers opportunities for expansion.

We provide corporate travel content – flights, rental cars, accommodation – to almost three quarters of managed travel customers in the region. And we still see growth in this market as we meet more of the business traveller's needs.

As Claudia mentioned, New Zealand has been performing well, delivering us travel volumes ahead of peak levels in 2019. This growth has been assisted by the onboarding of new customers with a combination of new wins and our migration program with Orbit as they moved their customers off their previous competitor booking tool onto Zeno.

Australia has clearly suffered some setbacks with the Delta strain of COVID. However, we are optimistic that in time business travel will return to the volumes we saw prior to the pandemic, but the way people travel will likely be different.

We have become accustomed to video conferencing and working from home, and it is very clear that businesses globally are welcoming this. Working from home is also allowing them to reduce on premise accommodation costs and in some cases redirect these savings into new forms of business travel as they look at a new way of managing a remote workforce and deploy people closer to their customers.

The challenge is to maintain corporate culture and the serendipity of water-cooler conversations. It means remote workers staying at head office for longer, it means companies investing more in offsite meetings.

The Australian and New Zealand markets provide good guidance on how we believe the recovery will unfold, as evidenced by the bounce-back in travel volumes following each lock-down.

We can see this data from the "reason for travel" that is loaded at time of booking in our system and we continually monitor for trends in travel which enables us to focus on what is becoming important within any given market.

We know that when people feel safe, they begin to travel, so the higher vaccination rate the greater the likelihood of travel.

We saw this with the now suspended travel bubble with Australia. New Zealanders felt safe in New Zealand, but they didn't feel safe flying to Australia. Australians however jumped on the plane and flew across the Tasman because they felt safe about our controls.

We still see strong potential for continued growth in Australasia notwithstanding our strong market share in this region.

We are seeing strong demand for new content such as providing carbon offset and COVID-19 risk mitigation information at the point of sale. This information helps businesses ensure they are discharging their duty of care obligation and looking after their people.

We are focused on delivering the gold standard in managing the compliance needed by government and enterprise customers within this market.

We will continue our research and development activities directed at our home market as it is an ideal test bed for features that can have global appeal.

Some of the new features include carbon and environmental management, right to travel, new NDC air fares with Qantas and our drive to create a seamless integrated travel platform.

We continue to believe that by adding value for our customers, suppliers and resellers we can, over time, achieve our target of a \$20 Average Revenue per Booking in this market.

Driving into North America

Our strategy in North America – a market which pre-Covid saw around 450m domestic business trips made every year – is built around three pillars: Mega TMCs, mid-market TMCs and direct to corporate.

In the mega TMC category we are focussing on the top tier, which we believe collectively have around 75% of the US market for managed business travel.

We already have established relationships with two of the players in this group - Flight Centre and CWT - and we are seeing growing demand from larger enterprises for TMCs to support new innovations such as Zeno.

Because of their size and volume this is a slower sales and activation process but the upside is expected to be significant as these TMCs start to bring their customers onto our platform.

Our target is to drive 5m transactions over 3 years from the mega agencies.

In the mid-market we are focused on the top 50 TMCs that make up most of the remainder of the market. Because of their smaller scale the sales and activation process is generally faster than the mega TMCs.

We have signed 10 TMCs to date and have active customers gradually starting to transact across the majority of these customers.

Our ambition is to grow to between 10 and 20% market share of these customers, targeting around 5m transactions.

Finally, our 'Direct to Corporate' approach is aimed at a very select group of companies in the Fortune 500 who we reach by leveraging our international networks.

Encouragingly we have seen an increase in RFPs for these customers. Once signed, a direct deal would give Serko access to all business travellers within the corporate, reducing the reliance on a partner to drive the migration of business.

Our target is to sign 1-2 major fortune 500 companies in FY22 through to an increasing number in the following financial years. Our aspirational long-term goal is to sign 20 large market customers generating an average of 100k bookings each giving us 2m transactions through this section of the market.

The first two years have been about making sure the product and platform meet the market needs and we believe we have achieved these first set of goals.

Our brand is starting to resonate with our target market segments. We have employed some amazing talent in the region to sell and support Zeno locally and we now have trading customers in both the USA and Canadian markets. Activity is of course at low levels given the stringent travel restrictions that have been in place in these markets.

Our second phase – the phase we are now entering – is to focus on scaling this solution across our target segments. This is a process of learning and adapting the technology to meet the changing needs and the new market conditions that the return to regular business travel will require.

Booking and Serko a global SME solution

Our partnership with Booking.com, branded 'Booking.com for Business' is aimed at becoming the leading digital business travel platform for small and medium sized businesses in the unmanaged travel space.

The first phase of our plan included a test rollout in several markets in 2020, we then moved to extend into additional languages and then into a full migration phase of existing Booking.com for Business customers, which commenced in March 2021 and is rapidly moving towards completion.

The second phase is activating customer engagement with the platform and optimising it across global markets. This includes enabling new content within each market such as air, rail, car rentals and Covid-19 risk mitigation.

As we move to extend both the languages and features available, we believe we will create broader global appeal. This will lead Serko into the third phase of scaling up, increasing marketing activity, and focusing on both acquisition and retention of customers.

Our goal is to access a large portion of the unmanaged travel spend with a single well-connected marketplace for customers that have struggled with managing and reconciling business travel.

Booking.com for business today

Today we are in the final stages of the migration.

We're incredibly proud of how the Serko and Booking.com teams have come together to plan for and execute the migration to the new platform.

We have been following a well-structured, phased migration of different customer types and size and are pleased to announce we have more than 200,000 activated businesses on the platform.

In the month of July we saw over 5,000 new businesses sign-up to the platform in addition to the migrated customers. We expect to continue to grow new customers as market awareness increases and business travel activity resumes.

Our aim has been for the transition to be seamless, allowing customers to transact as soon as they have activated.

We are meeting those goals, with the average migration now taking less than 6 seconds with a close to 100% success rate.

Booking.com and Serko have agreed the migration phase will be extended two months, beyond the original expected end-date of 31 July 2021, to transfer the remaining business customers onto the new platform.

We expect SME business booking behaviours will be different from our enterprise customers and it is uncertain when, and how often, migrated customers will transact, particularly during Covid-affected periods. Transactions have been occurring for a percentage of migrated customers who are comfortable travelling under the current Covid conditions and we are optimistic that we will see travel pick-up in Europe following the traditional holiday period of July and August and as global vaccination programmes become more widespread.

Activations do not necessarily translate immediately into bookings due to the intermittent travel needs of SME's and the impacts of COVID.

But we are excited to see the amount of businesses activating and checking out the new platform, readying their business account for the purchase of travel, notwithstanding the pandemic and travel restrictions that have been in place.

As you may have seen from the Booking Holdings quarterly announcement, the 'connected trip' remains a key focus for the group. The goal is to enable customers to book every aspect of their travel experience seamlessly through a single platform.

We are pleased to be delivering the connected trip across multiple markets already, and as we grow our content availability across the different catalogues of travel we expect the connected trip to become the new way of booking.

Building out the marketplace

From a technology perspective we are focused on scaling the platform to enable connectivity to a broader range of partners and introducing new content.

As we extend our reach across the globe we are running a 24/7 system where in any given month we could be releasing as many as 200 updates and over 10 updates per day.

Our teams continue to work on new insights and processes to take Serko to the next level in both resilience and speed and we have made significant gains in the last 12 months. Scaling a system to bring on the volume of small business that others have taken a decade to achieve in as many months is true testament to the talent in the Serko team.

As mentioned, we are rolling out options to manage carbon emission across all types of business travel. This is a move entirely aligned with our commitment to do the right thing by our people, our customers and our communities as well as our shareholders.

We have introduced a broad range of COVID risk management measures including a 'Clean Hotels' indicator that allows travellers and corporates to see at a glance hotels that have implemented COVID health and hygiene measures. We have also introduced point of sale information that displays up-to-date airline policies for COVID including health screening and passenger wellbeing measures.

Meanwhile our ambition continues to make it easier for travel content suppliers to connect with Zeno with the pursuit of an open application programming interface architecture to enable third parties to connect

globally. We are at the early stages of this programme but will provide regular updates as we scale towards this goal.

Build the Serko team to scale up

To build a world class team you need to create a culture that supports diversity and high performance.

Throughout 2020 and 2021 we have strived to build on our culture, how we employ people and drive performance. It was gratifying for the entire team to hear the judges at both the Hi-Tech and INFINZ Awards praising our team ethos and culture and our success in embracing diversity.

This year has also seen a strengthening of our Executive Team with further new appointments to help us scale for growth.

Rachael Satherley is Serko's new Chief People Officer. She joins us after 15 years in leadership roles with global travel giant Expedia.

We are also very pleased to welcome Shane Sampson as our new Chief Financial Officer. He brings to Serko 30 years' experience in finance, commercial and leadership roles, most recently as CFO of the NZX and ASX listed company PushPay.

Shane replaces long-serving Susan Putt, who is now pursuing her ambition to ski every bluebird day this season. Susan Nemeth is presently, and very ably, filling the role of interim CFO until Shane starts.

These are tremendous additions to the team.

Summary

Serko is in good shape, notwithstanding the severe impact Covid has had on the industry over the past year. We believe we are well positioned for the eventual recovery in global markets as we scale up to achieve our global ambitions.

New Zealand has been performing well, and we are optimistic Australia will follow suit as vaccinations put public health conditions on a more stable footing. We continue to target an increase in booking volumes and revenue per booking in both markets as transactions recover.

Our North American business has put in place the infrastructure for growth, and we are planning on it contributing increasing revenue to Serko as business travel normalises.

Our partnership with Booking.com for Business is progressing well, we are in the final stages of the migration which, once complete, will give us a better idea of booking trends.

Finally, we have made great strides scaling our people and systems for growth.

It is a very exciting time to be at Serko. We are on the cusp of driving a transformation of both the company and business travel globally as travel progressively resumes.

Before I hand you back to Claudia, I also want to echo her thanks to the Serko team.

As I said at the full year earnings announcement your dedication to the company, despite the significant personal and professional challenges of COVID has been inspiring.

I also want to thank Claudia, my fellow directors and Simon in particular, for your long-standing commitment and support for Serko and the guidance and assistance you have provided to me personally. You have dedicated 8 years of your life to Serko and our ambitions to become a world leader. You have helped guide

the strengths in our risk management and how we guide and work with our shareholders. I want to personally thank you from not only the team but from myself and Bob.

I also want to welcome Jan to the Board who brings the governance and balance needed to make sure Serko remains one of the most trusted and respected brands on the market.

Thank you.

ENDS