serko

Annual Report 2024

This Annual Report is dated 28 May 2024 and is signed on behalf of the Board of Directors (Board) of Serko Limited by Claudia Batten, Chair, and Darrin Grafton, Chief Executive Officer (CEO).

Claudia Batten
Chair

Darrin Grafton
Chief Executive Officer

Contents

Serko at a glance

180 +
countries with active users

4.9 million +
trips booked annually

640,000 +
registered customers across the globe

Darrin Grafton
CEO & Co-founder

"Something incredible happens when people come together. That's why we travel. But all too often, we run into distractions. Schedule changes, expense reports, a bad night's sleep. And a million other things.

We believe there's a better way. We're constantly innovating to remove friction from travel, designing our platform to transform the mundane into an experience. So when you are together, there's more room for magic to happen.

Our purpose

We bring people together

Our vision

Create a connected, frictionless travel experience

Our mission

Build the world's leading business travel marketplace

Year in review

Financial highlights

Successful execution of our priorities, in an often complex and uncertain external environment, has led to significantly improved financial outcomes. Total income was $71.2 million — up 48% and above the middle of the guidance range revised upwards in November.

Revenue	Total income **$71.2m** ▲ 48%	
Costs	Operating expenses **$89.7m** ▲ 8%	Total spend **$83.9m** ▲ 1%
Profit (Loss)	Net loss after tax **$(15.9m)** 48% improvement	EBITDAF* Loss **$(1.6m)** 93% improvement
Balance Sheet	Cash on hand **$80.6m** 8% decrease	Avg cash burn/month **$0.6m** 78% improvement

* EBITDAF is a non-GAAP measure representing Earnings Before Interest, Taxation, Depreciation, Amortisation, Impairment, Foreign Exchange gains/losses and Fair value remeasurements.

Business highlights

Underpinning Serko's progress has been a deliberate and sustained shift in how we operate. We are seeing benefits from strengthened leadership and expertise, a scalable operating model and targeted investment to support innovation and growth. Today, Serko is a more robust and dynamic business as we pursue the next phase of our strategy.

Realising the growth opportunity

Booking.com for Business growth

Partnership renewed for further five years*

Strengthened market leadership

Retention and new growth in Australasia

*Renewed April 2024

A sustained shift in how Serko operates

Delivering operational leverage

On track for cash flow positive in FY25

Enhanced leadership and expertise

Strengthened executive capability to support scale

FY24 Business Highlights

Experimentation benefits
$4.3 million* annualised net revenue following successful product experimentations

Booking.com delivery and growth
65% increase in Completed Room Nights; renewal of partnership (in April 2024)

Australasian market leadership
Strengthened market position with 13% increase in online bookings

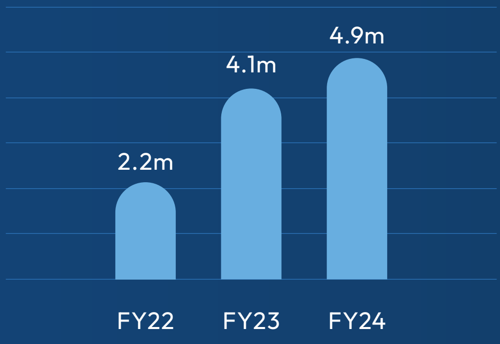
Technology and product innovation
Strengthened product capabilities and integrations with continued enhancement of our technology platform

High employee engagement
Employee engagement increased to 78%, from 72% in FY23

All comparatives are year on year unless otherwise stated.
* Estimate based on AB testing results in FY24 extrapolated for a full year using an average $ booking rate.

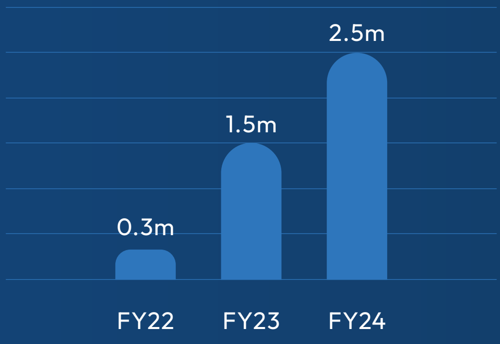
Total Online Bookings

▲ 19%



Completed Room Nights (CRN)

▲ 65%



Dear shareholders,

Our strong performance in the past financial year is the result of Serko's single-minded focus on building a globally-competitive business at scale across multiple periods.

Most recently, this focus has included the establishment, growth and renewal of our partnership with Booking.com, strengthened market leadership in Australasia, and strong recovery out of the pandemic.

In this year's annual report we are pleased to share material progress on our priorities and significantly improved financial outcomes.

Two years ago, coming out of COVID, Serko's total income was $18.9 million. Since then, we have defined our strategy and have executed against this and now, for FY24, we are reporting total income of $71.2 million. Underlying average monthly cash burn two years ago was $3.3 million. For FY24, it has reduced to just $0.6 million.

Underpinning Serko's progress has been a deliberate and sustained shift in how we operate. We are seeing benefits from strengthened leadership and expertise, a scalable operating model, and targeted investment to support innovation and growth. Today Serko is a more robust and dynamic business as we pursue the next phase of our strategy.

There is still much more potential to be realised. We are driven to being the most innovative company we can be — for all our stakeholders: our partners, our customers, our people and our investors.

Our purpose sits at the centre of our ambitions: to bring people together, through a connected, frictionless travel experience.

We have built strong foundations with our current strategy (FY23-25) and we are now turning our minds to our plans beyond FY25. We look forward to sharing details with you in the second half of the year.

FY24 summary

For the FY24 year, Serko achieved total income of $71.2 million, up 48% on the FY23 year, and above the middle of the guidance range as revised upwards in November. This was driven by an increase in online bookings, up 19% to 4.9 million and increased ARPB.

Total spend was $83.9 million, below the 2024 guidance range of $86 million to $90 million and up 1% from $83.3 million in FY23.

EBITDAF losses were $1.6 million, down from $21.8 million, a 93% improvement and net losses after tax were $15.9 million, down from $30.5 million, a 48% improvement.

Higher revenue and limited cost growth in the period has led to an 78% reduction in average underlying monthly cash burn from $2.7 million in FY23 to $0.6 million in FY24.

Unmanaged travel

In April 2024, we announced the renewal of our partnership with Booking.com for a further five years. This is a significant milestone for Serko — providing a strong foundation for global scale.

We have continued to see overall growth in the Booking.com for Business partnership, underpinned by Completed Room Nights rising 65% to 2.5 million. Active customers using the Booking.com for Business platform increased 10% across the year to approximately 172,000. Average Revenue per Completed Room Night was up 4% on FY23.

This reflects the successful execution of the partnership to date and the strength of the opportunities ahead. The progress made, including customer acquisition and activation alongside important enhancements to the Booking.com for Business offer, has directly driven material revenue for Serko.

The foundations are in place and we are now implementing further scaling initiatives with Booking.com to drive increases in volumes.

Managed travel

Online bookings increased 13% in Australasia from 3.4 million to 3.9 million. Rio Tinto, one of the largest corporate travel accounts in Australia, went live on Zeno during the year via American Express Global Business Travel.

We continue to see potential in Australasia underpinned by new and existing customers. We have continued to deliver product improvements to our partners in the past year through a strengthened Zeno offering.

Balance sheet strength

Serko remains well capitalised with no debt. At 31 March, our cash on hand was $80.6 million with underlying average monthly cash burn at $0.6 million, a 78% improvement.

Board and management

In February, AI and data technology entrepreneur Dr Sean Gourley joined the Board as an Independent Non-executive Director. Sean has impressive experience as a business and technology leader, including establishing and growing two ground-breaking Silicon Valley technology businesses.

He has been a force in the commercialisation of scaled data and AI solutions for more than a decade, with a focus on the United States. He is already proving an asset for Serko as we drive international growth.

Sean will be standing for election at the Annual Meeting.

During the year, Joydip Das and Liz Fraser joined our Executive team — from multi-national firms — as Chief Product Officer and Chief Revenue Officer respectively. Both roles are new within Serko and Joydip and Liz are already delivering significant upside with their relevant and compelling backgrounds.

A sustainable Serko

We are committed to doing what is right for our business, people, customers and communities. We believe strong environmental, social and governance (ESG) practices give Serko its social licence to operate, as well as creating long-term value for our business.

We have continued to develop our sustainability practices over the past year and are pleased to report our progress in our latest ESG Report — and Climate-Related Disclosures, released alongside this annual report.

Outlook

Serko anticipates demand for business travel in its key markets to remain strong.

Serko expects new unmanaged customer acquisition and activation initiatives to drive increased volumes and total income during the FY25 year, weighted to the second half. Serko also anticipates growth at FY24 levels in its Australasian business.

For the FY25 year, Serko anticipates total income in the range of $85 million – $92 million.

In line with previous statements, Serko expects to be cashflow positive for FY25.

With $80.6 million cash on hand at 31 March 2024 and no debt, Serko is well positioned to consider organic and inorganic investments where these would advance strategic objectives.

Risks to the achievement of Serko's FY25 goals include the precise timing of delivery of initiatives and subsequent benefits, currency and ARPCRN movements, and geopolitical and macro-economic factors.

Thank you

Thank you to you our shareholders for your engagement and support. Thank you to our partners for allowing us to work with you — to help you and your customers do business when you need to travel. And thank you to our team. The Board and the Executive Team see your dedication in all the hard work you do.

We look forward to another incredible year in FY25.

Claudia Batten
Chair

Darrin Grafton
CEO & Co-founder

Our strategy

Our strategy provides our stakeholders - employees, customers, end users, partners, suppliers, shareholders and others - with a clear sense of what drives us, where we are heading and how we will create long-term value.

Our current strategy is for the period FY23 – FY25. In the coming months we will be developing Serko's strategy for beyond FY25. We look forward to sharing this with you.

FY23 – FY25 strategic goals

1

Customer success

Deliver an exceptional customer experience (CX) through experimentation

2

Unmanaged revenue

Establish significant market share in the unmanaged travel market

3

Managed revenue

Consistently grow market share in the global managed travel market through TMC partnerships and inorganic growth

4

Marketplace and content

Commercialise connected trip experience through an open platform

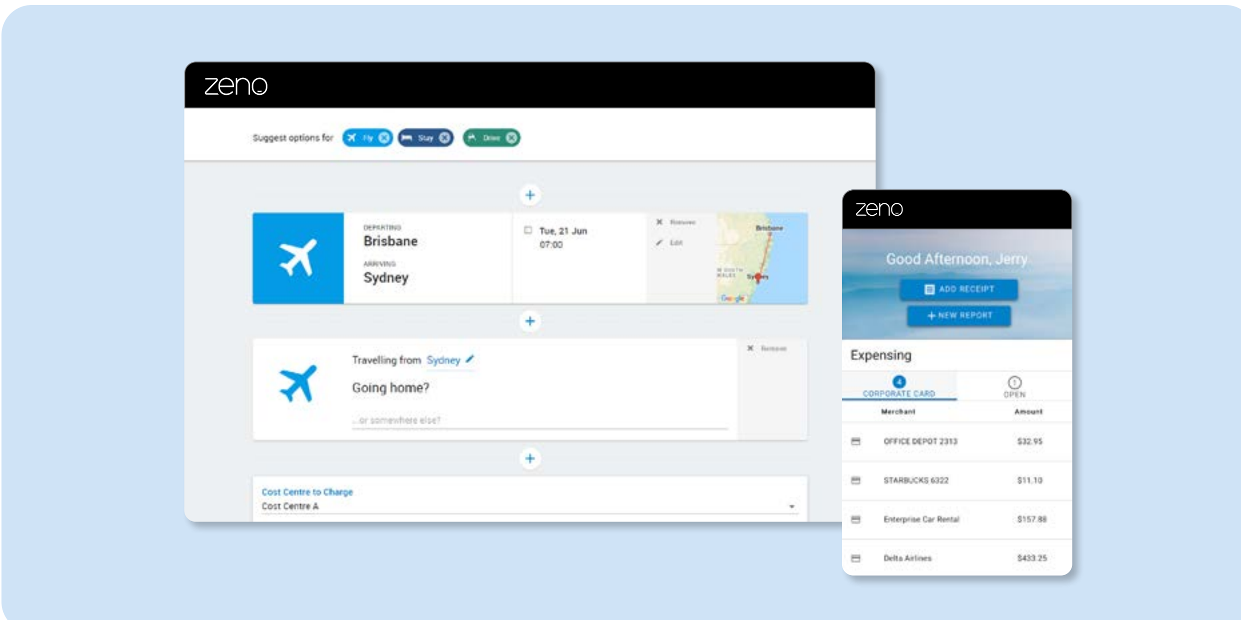
5

Culture

Create a culture of engaged Serkodians aligned to our purpose, mission and values

Our products

Zeno is an integrated travel and expense platform that is revolutionising the world of corporate travel and expense management globally.



Zeno Travel

Zeno Travel is an online booking platform for mid to large size companies that have managed travel programmes (generally with a travel policy and a travel management company to support them).

With Zeno, travellers get an interface like the leisure travel sites they're used to, an extensive range of booking choices and personalised trip recommendations that speed up travel bookings. Travel managers get to add their own travel policies and negotiated rates and prioritise preferred suppliers so travellers see the best prices for trips and stay in budget. The result is better cost control and programme compliance coupled with increased traveller satisfaction.

Zeno is available through our worldwide network of travel management company partners.

Serko generates revenue through corporate customers paying a booking fee per transaction and through commission received from suppliers.

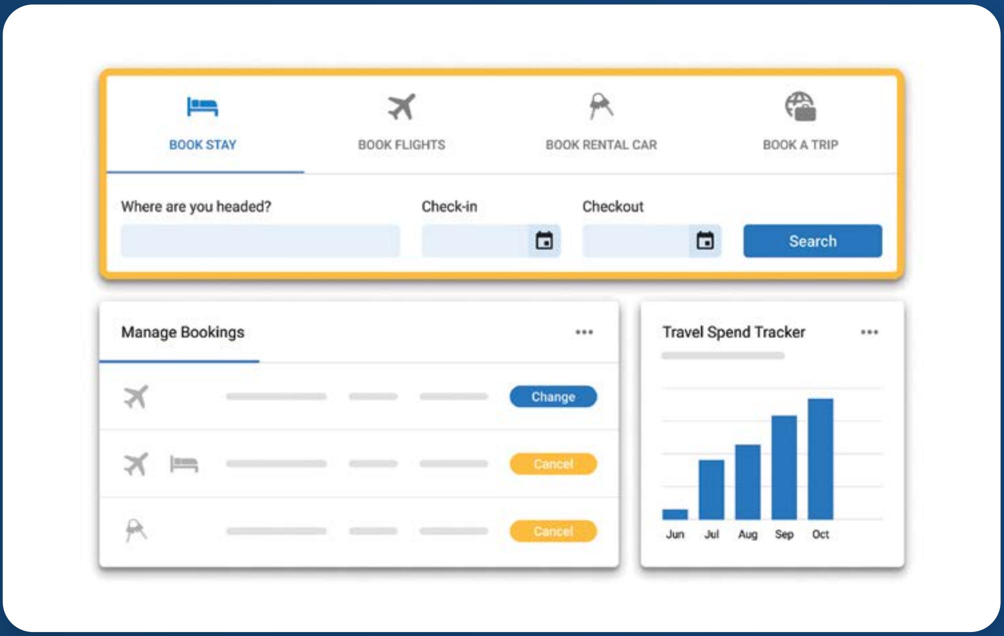
Zeno Expense

Zeno Expense automates corporate card and out-of-pocket expense submission, reconciliation and reimbursement. Employees take photos or upload receipts, add coding details and submit their expenses on the go. To make things even simpler, Zeno offers automated integrations with travel providers such as Uber for Business.

Zeno's intelligent technology helps to identify and manage out-of-policy claims and expense claim fraud, dramatically streamlining the expense administration function. Detailed reporting gives approvers and finance teams a more accurate picture of business expenses and potential problem areas.

Serko generates revenue through corporate customers paying a fee per active user or per expense report submitted.

Booking.com business



Booking.com for Business · Powered by Zeno

Booking.com for Business is the free, all-in-one business travel platform designed for small to medium-sized businesses (SMEs). Company users can book and manage complete trips for themselves or their teams, including accommodation, flights and rental cars — with no fees or ongoing subscription costs.

Combining Zeno's functionality with Booking.com's simplicity and brand recognition

- Administrators and travellers can easily make corporate travel bookings in one place — no need to search multiple sites and tabs.
- Choose from 2.5+ million properties, 420+ airlines and 40,000 car rental locations around the world.
- Whether a business employs one person or 500, there's no limit to how many can use Booking.com for Business and there are no fees.
- Companies can save with exclusive business rates, enjoy Genius rewards and earn loyalty points with favourite hotel chains, airlines and rental car companies.
- Complimentary 24/7 travel assistance is available by phone or email.

Serko generates revenue through supplier commission from travel bookings completed through Booking.com for Business.

ESG Report highlights

Working towards a sustainable future

As we grow and connect increasing numbers of business travellers, we are committed to doing what is right for our business, people, customers, investors and communities. We believe strong ESG practices give Serko its social licence to operate, as well as creating long-term value for our business.

Our latest ESG Report — and Climate-Related Disclosures — provides Serko's stakeholders with a view of the Company's ESG performance and activities in the year ended 31 March 2024.

Introduction of Materiality Assessment

We engaged external advisers to help us understand and prioritise the environmental, social, governance and commercial areas that matter most to our stakeholders and our business.

The materiality assessment provides a strong foundation for our strategy. By identifying and ranking the material topics, we are ensuring our strategy focuses on areas with the greatest impact and that we can communicate our progress more effectively.

A summary of outcomes from the assessment is in the ESG Report.

Environment

We are committed to continually improving our efficiency and reducing our impact on the environment.

Our direct environmental footprint is relatively small and made up largely from third-party data centres, office energy consumption, employee travel and the typical consumables of a technology business.

We believe there is an opportunity to play a role in reducing the environmental impact of business travel by providing technology that enables and encourages our customers to make smart, sustainable decisions.

FY24 progress and highlights

- Completion of our inaugural mandatory Climate-related Disclosures under the Aotearoa New Zealand Climate Standard reporting framework
- Improved carbon intensity performance from 11.68 to 9.82 (tCO_2e of GHG emissions per $m of total income)

Serko's 2024 ESG Report available now at www.serko.com/investors

Social

Our culture is anchored by a clear company purpose, vision and guiding principles. They define how we operate together as a team and how we interact with our customers and partners.

Giving back to the communities we operate in is incredibly important to us. Each year, all Serkodians are given a full day to spend working on local community initiatives that are meaningful to them.

FY24 progress and highlights

- New Guiding Principles introduced to guide our behaviours, decisions and actions
- High employee engagement, up from 72% in FY23 to 78% in FY24
- Internal appointments for new or existing roles increased to 29%, up from 17% last year
- Serkodians invested 1,800 hours of their time in our 'Day of Community'
- Achieved Advanced GenderTick accreditation
- Maintained a less than 1% median remuneration difference between males and females when comparing roles of comparable scope and complexity

Governance

A key focus for the Board is to oversee and support the delivery of Serko's strategy, which is primarily directed at the Booking.com partnership and unlocking the US market.

Other governance activities across Serko in the past year include succession planning, ensuring appropriate remuneration structures and levels, embedding risk management and improving stakeholder engagement.

FY24 progress and highlights

- Improved capability in our Board and Executive team
- Refreshed executive remuneration structure
- Strengthened risk management practices through the business
- Materiality assessment completed, identifying areas that matter most to our stakeholders and business
- Strengthened stakeholder engagement

Board of Directors

Claudia Batten

Independent Non-executive Director, Chair, New Zealand
Appointed 30 April 2014, re-elected August 2023

Claudia has been a founding member of two highly successful entrepreneurial ventures. The first venture was Massive Incorporated, a network for advertising in video games. Massive was sold to Microsoft in 2006. In 2009 she co-founded Victors & Spoils ('V&S'), the first advertising agency built on the principles of crowdsourcing. V&S was majority acquired by French holding company Havas Worldwide in 2011. Claudia is a strong supporter of the New Zealand start-up scene as an active mentor and adviser. She is also a Director of Air New Zealand and Vista Group.
Claudia holds an LLB (Hons) and BCA from Victoria University (Wellington).

Jan Dawson

Independent Non-executive Director, New Zealand
Appointed on 18 August 2021, elected August 2022

Jan is Chair of Ports of Auckland Limited. She was previously Chair of Westpac New Zealand, Deputy Chair for Air New Zealand, and a Director of Beca, AIG NZ and Meridian Energy Limited, and a member of the University of Auckland Council. She was a partner of KPMG for 30 years and the Chair and Chief Executive of KPMG New Zealand from 2006 until 2011. She holds a Bachelor of Commerce from the University of Auckland and is a fellow of the New Zealand Institute of Chartered Accountants and a fellow of the Institute of Directors in New Zealand.

Sean Gourley

Independent Non-executive Director, New Zealand
Appointed on 1 February 2024, up for election in 2024

Sean has established and grown two ground-breaking Silicon Valley technology companies: Primer, an AI and machine-learning company where he was CEO from 2015 to 2023, and Quid, an AI-powered visualisation company where he was Chief Technology Officer. In his early career, he was a research scientist at NASA and a research fellow at the University of Oxford where he published ground-breaking research into the mathematics of war in leading science journal Nature. He also served on the board of Anadarko Petroleum, a US-based Fortune 500 energy company, from 2015 until its acquisition in 2019. Dr Gourley has a Master of Science majoring in physics from the University of Canterbury (NZ) and a PhD in physics from the University of Oxford, which he attended as a Rhodes Scholar.

Darrin Grafton

Executive Director, Chief Executive Officer & Co-founder
Appointed 5 April 2007, re-elected August 2022

Darrin has more than 30 years' experience in travel technology and is a recognised industry innovator, previously named as one of the top 25 most influential executives in the travel industry by the BTN Group. Darrin has held directorships and senior management positions across a number of private and public companies, including the Gullivers Travel Group. In 2021 Darrin was awarded the INFINZ Leadership Award and has previously been awarded the NZX Hi-Tech Entrepreneur Award. He is a member of the Institute of IT Professionals NZ and the Institute of Directors in New Zealand.

Clyde McConaghy

Independent Non-executive Director, Australia
Appointed 30 April 2014, re-elected August 2022

Clyde is based in Australia. He is the founder of Optima Boards, providing independent director and advisory services to public, private, family office and charitable entities around the world. Clyde has worked in publishing, media, online and technology sectors, living in the United Kingdom (UK), Germany, China and Australia. He is a director of Neuroscience Research Australia and holds a BBus (University of South Australia), as well as an MBA from Cranfield University (UK). Clyde is a fellow of the Australian Institute of Company Directors.

Bob Shaw

Executive Director, Chief Strategy Officer & Co-founder
Appointed 5 April 2007, re-elected August 2021 (up for re-election in 2024)

Bob has been involved in transforming the travel industry since 1987, collaborating with the world's leading airlines, travel agencies and global distribution systems. He has held a number of directorships and senior management positions in various high-profile ventures, including Gullivers Travel Group and Interactive Technologies. Bob has been a past finalist for the EY Entrepreneur of the Year Award. He is a member of the Institute of IT Professionals NZ, the Institute of Directors NZ/Australia and was awarded the New Zealand Certificate in Data Processing.

Our leadership

Executive Team

Darrin Grafton

Chief Executive Officer (CEO), Executive Director & Co-founder

Darrin has more than 30 years' experience in travel technology and is a recognised industry innovator, previously named as one of the top 25 most influential executives in the travel industry by the BTN Group. Darrin has held directorships and senior management positions across a number of private and public companies, including the Gullivers Travel Group. In 2021 Darrin was awarded the INFINZ Leadership Award and has previously been awarded the NZX Hi-Tech Entrepreneur Award. He is a member of the Institute of IT Professionals NZ and the Institute of Directors in New Zealand.

Joydip Das

Chief Product Officer (CPO)

Joydip has more than 25 years' experience building software products and platforms for multiple technology start-ups and enterprise software companies in the United States (US). He's passionate about creating product-led cultures and operational models to help forward-thinking technology companies navigate the challenges of innovation and scalable growth.

Liz Fraser

Chief Revenue Officer (CRO)

Liz previously held the role of Commercial Director at MediaWorks. Prior to this role, Liz worked at Air New Zealand in various roles, including Regional General Manager of the Americas region based in Los Angeles, as well as General Manager Customer. Before joining the airline, Liz worked in the media industry at TVNZ, MSN and MediaWorks TV. Liz is also the Chair of Crescendo Trust of Aotearoa.

Charlie Nowaczek

Chief Operating Officer (COO)

Charlie has over 25 years' experience as an operations executive and management adviser, specialising in business transformation and operational excellence. Over the last decade he has been COO for a number of technology start-ups in the US and Canada.

Shane Sampson

Chief Financial Officer (CFO)

Shane joined Serko with over 30 years' experience in finance and commercial leadership roles at Vector, Spark and Pulse Energy and most recently as the CFO of PushPay. Shane has a BCA and LLB (Hons) from Victoria University of Wellington and is a member of Chartered Accountants Australia and New Zealand.

Rachael Satherley

Chief People Officer (CPO)

Rachael has 20 years' experience in people leadership roles across Europe, North America and Asia-Pacific, most recently with Expedia Group. She has a passion for unlocking individual, team and organisational potential through transformation.

Bob Shaw

Chief Strategy Officer (CSO), Executive Director & Co-founder

Bob has been involved in transforming the travel industry since 1987, collaborating with the world's leading airlines, travel agencies and global distribution systems. He has held a number of directorships and senior management positions in various high-profile ventures, including Gullivers Travel Group and Interactive Technologies. Bob has been a past finalist for the EY Entrepreneur of the Year Award. He is a member of the Institute of IT Professionals NZ, the Institute of Directors NZ/Australia and was awarded the New Zealand Certificate in Data Processing.

Simon Young

Acting Chief Technology Officer (ACTO)

Simon has more than 20 years' experience in local and global technology companies and joined Serko as the Vice President (VP) of Engineering in 2023. He has held a number of executive leadership roles, including as Chief Product & Technology Officer at Trade Me and VP of Engineering at Halter.

Management commentary

Please read the following commentary with the financial statements and the related notes in this Report. Some parts of this commentary include information regarding the plans and strategy for the business and include forward-looking statements that involve risks and uncertainties.

Actual results and the timing of certain events may differ materially from future results expressed or implied by the forward-looking statements contained in the following commentary. All amounts are presented in New Zealand dollars (NZD), except where indicated. All references to a year are the financial year ended 31 March 2024, unless otherwise stated.

Non-GAAP (generally accepted accounting practice) measures have been included, as we believe they provide useful information for readers to assist in understanding Serko's financial performance. Non-GAAP financial measures do not have standardised meanings and should not be viewed in isolation or considered as substitutes for measures reported in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). These measures have not been independently audited or reviewed.

Business results

($15.7m)

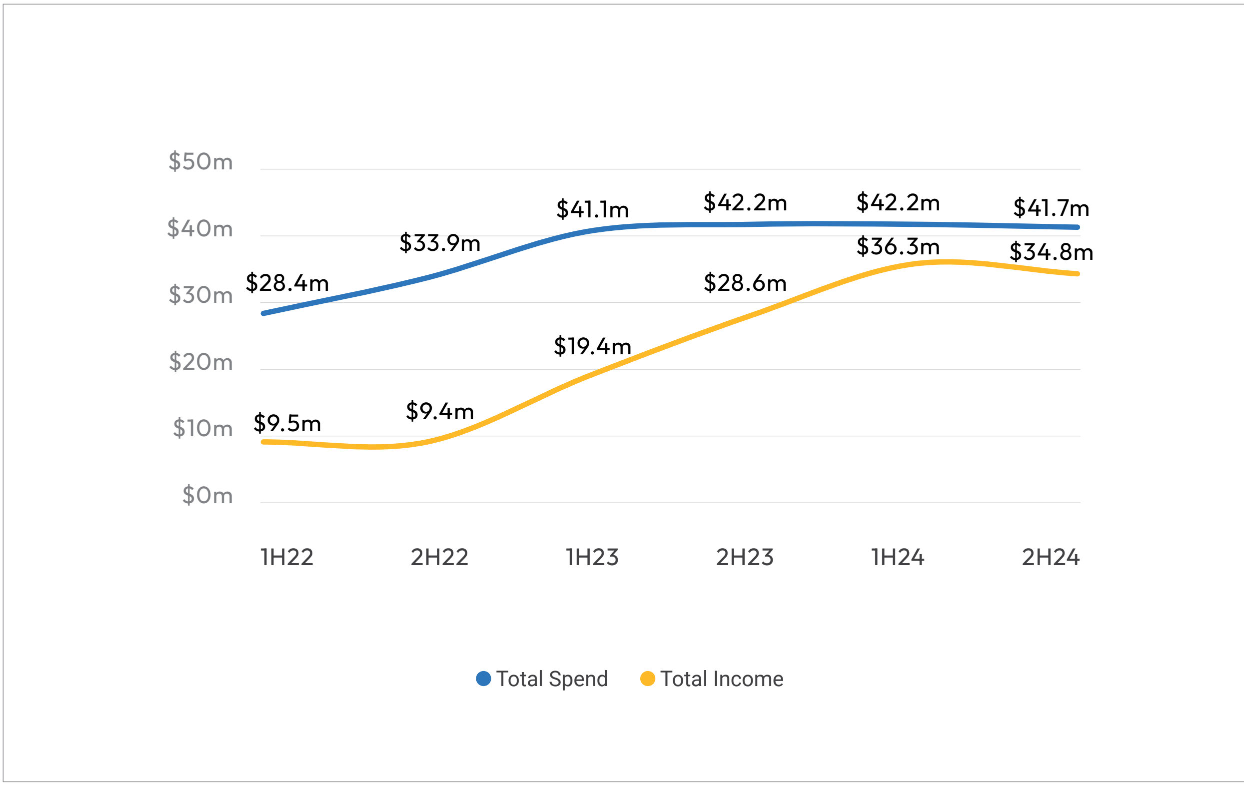
Net loss before tax

Year ended 31 March	2024 ($000)	2023 ($000)	Change ($000)	%
Revenue	68,761	46,492	22,269	48%
Other income	2,424	1,533	891	58%
Total Income	**71,185**	**48,025**	**23,160**	**48%**
Operating expenses	(89,735)	(82,819)	(6,916)	(8%)
Percentage of revenue	(131%)	(178%)		
Foreign exchange gains/(losses)	(1,084)	1,737	(2,821)	(162%)
Net finance (expense)/income	3,948	2,596	1,352	52%
Net (loss) before tax	**(15,686)**	**(30,461)**	**14,775**	**(49%)**
Percentage of revenue	(23%)	(66%)		
Income tax expense	(193)	(79)	(114)	(144%)
Net (loss) after tax	**(15,879)**	**(30,540)**	**14,661**	**48%**
Percentage of revenue	(23%)	(66%)		

Revenue increased 48% to $68.8 million primarily due to continued growth in Booking.com for Business and an ongoing business travel recovery. Total Income for the year to 31 March 2024 increased 48% to $71.2 million. Operating costs increased by 8% to $89.7 million driven, by higher amortisation, with the intangible assets useful lives reducing from five to three years in FY22, along with a reduction in capitalisation and increased Third party costs as transaction volumes increased. Serko recorded a net loss result after tax of $15.9 million, an improvement of 48% against the prior year net loss after tax of $30.5 million.

The Group recognised $2.4 million in other income (primarily grants), an increase of $0.9 million, or 58%, from the prior year. Other income primarily comprised of the research and development tax credit (RDTI). Grant income in relation to RDTI of $1.9 million was claimed in FY24, while a portion was treated as deferred income as the costs to which the grants related had been capitalised. This deferred income will be recognised in future years over the useful lives of the related assets.

Foreign exchange losses of $1.1 million resulted in an adverse variance of $2.8 million compared to the prior year, this was due to a weaker average New Zealand dollar against both the Euro and United States dollar. Net finance income increased 52% to $3.9 million primarily reflecting increased interest earned on short-term investments.



Growth in Total Income declined in the second half of the financial year impacted by lower unmanaged Completed room nights, a lower seasonal average revenue per completed room night and seasonally lower ANZ Managed Travel revenue. Total Spend in the second half of FY24 declined 1% relative to both the first half of FY24 and the second half of FY23, reflecting a reduction in Capitalisation that has offset increases in Third party direct costs as transactional volumes increase. Across FY24 we have seen a 48% growth in Total Income over FY23, while holding Total Spend growth at 1%, significantly improving Serko's overall financial performance.

Total Spend is a non-GAAP measure, which Serko uses internally to measure spend before the impacts of capitalisation and amortisation. In software businesses, the nature of the projects being worked on can result in significant differences in the proportion of product design and delivery costs capitalised. We consider that Total Spend is a more useful measure of the cost base of the business as it removes the volatility that can occur as a result of capitalisation decisions.

EBITDAF

($1.6m)

EBITDAF Loss

Year ended 31 March	2024 ($000)	2023 ($000)	Change ($000)	%
Net (loss) after tax	**(15,879)**	**(30,540)**	**14,661**	**48%**
Deduct: net finance (expense)/income	(3,948)	(2,596)	(1,352)	(52%)
Add back: income tax	193	79	114	144%
Add back: depreciation and amortisation	16,973	13,040	3,933	30%
Add back: net foreign exchange (gains)/losses	1,084	(1,737)	2,821	162%
EBITDAF (loss)	**(1,577)**	**(21,754)**	**20,177**	**93%**
Percentage of revenue	(2%)	(47%)		

EBITDAF is a non-GAAP measure representing Earnings Before the deduction of costs relating to Interest, Taxation, Depreciation, Amortisation, Foreign Currency (Gains)/Losses and Fair value remeasurement.

EBITDAF improved by $20.2 million from a loss of $21.8 million to a loss of $1.6 million reflecting strong growth in Total Income partially offset by increased expenditure.

Depreciation and amortisation increased by $3.9 million over the prior year primarily reflecting an increase in the average balance of computer software assets over the prior year. Depreciation includes right-of-use assets (leased premises) under IFRS-16 (Leases) of $1.1 million in FY24 (FY23 $1.1 million).

Revenue and other income (Total Income)

$71.2m

Total Income

Year ended 31 March	2024 ($000)	2023 ($000)	Change ($000)	%
Revenue – transaction and usage fees:				
Travel platform booking revenue	19,215	16,283	2,932	18%
Expense platform revenue	5,291	4,960	331	7%
Supplier commissions revenue	42,930	23,363	19,567	84%
Services revenue	1,000	1,555	(555)	(36%)
Other revenue	325	331	(6)	(2%)
Other income	2,424	1,533	891	58%
Total Income	**71,185**	**48,025**	**23,160**	**48%**
Total travel bookings (000)	**5,920**	**4,804**	**1,116**	**23%**
Online bookings (000)	**4,916**	**4,146**	**770**	**19%**
ARPB (travel-related revenue only/online bookings)	**$12.71**	**$9.56**	**$3.15**	**33%**
Average Revenue per Completed Room Night (ARPCRN)	**€9.75**	**€9.34**	**€0.41**	**4%**

Travel-related revenue includes travel platform booking revenue and supplier commissions revenue.
Total income includes revenue from customers and other income such as grants but excludes finance income.

Total Income increased by 48% to $71.2 million from $48.0 million in FY23.

Travel platform booking revenue increased by 18% to $19.2 million. Expense platform revenue increased by $0.3 million.

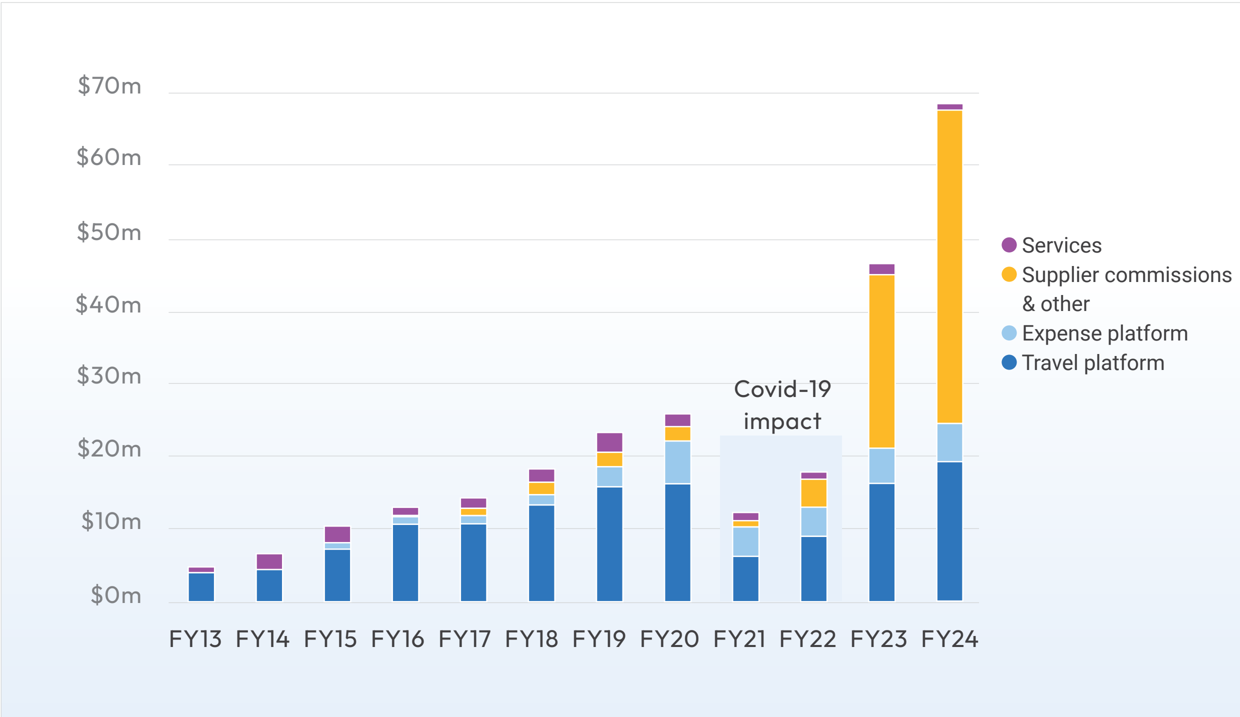
Supplier commissions revenue increased by 84% to $42.9 million reflecting growth in revenue from Booking.com for Business. Supplier commissions revenue is recognised net of consideration payable to customers of $2.0 million (2023: $1.8 million).

Services revenue decreased by 36% to $1.0 million, while other revenues were flat at $0.3 million.

Total travel bookings by volume increased 23% over the prior year. Total travel bookings during FY24 were 5.9 million. Total travel bookings include 1.0 million offline bookings (system automated bookings) that do not contribute significantly to revenue or are bundled into the Online Booking rate. Online Bookings for the year increased 19% to 4.9 million.

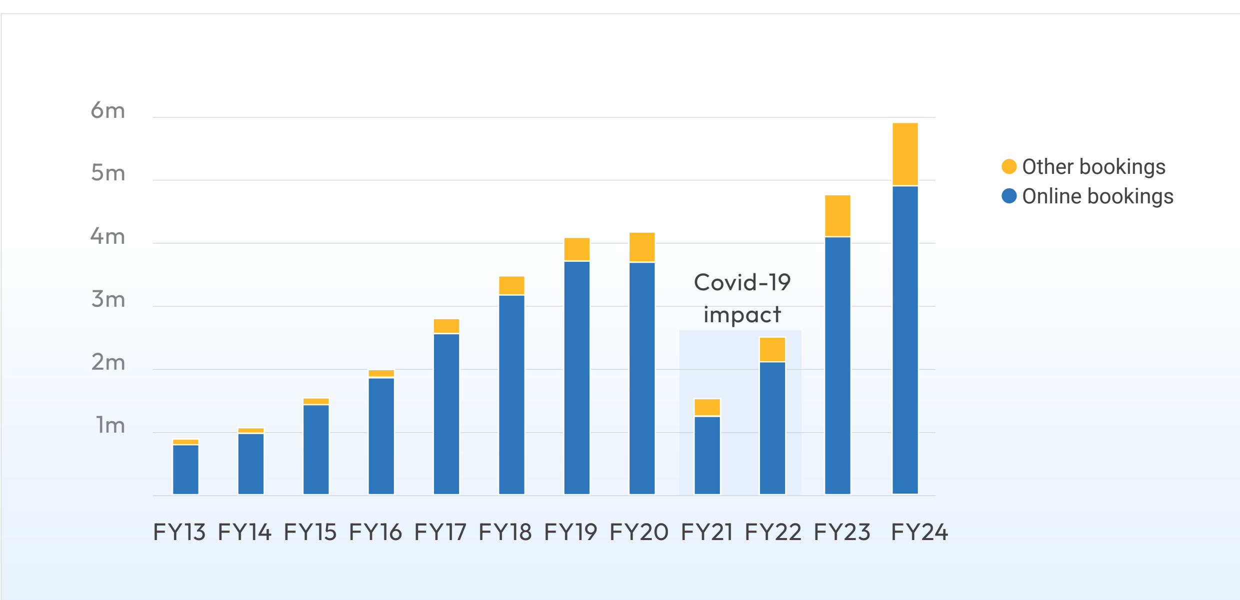
Average Revenue Per Booking (ARPB) for travel-related revenue (travel platform and supplier commissions) increased during the year by 33% to $12.71 from $9.56, driven by a higher Average Revenue per Completed Room Night (ARPCRN) and the increased proportion of Booking.com for Business bookings.

Long-term revenue trends



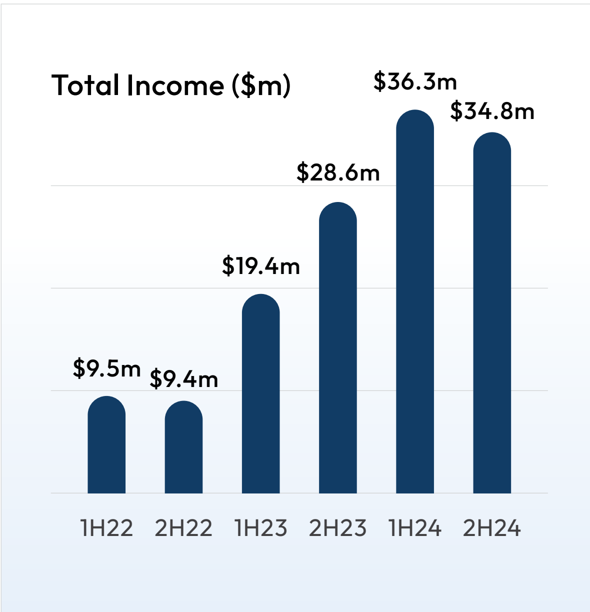
Revenue increased by 166% relative to FY20, the last year unaffected by Covid-19.

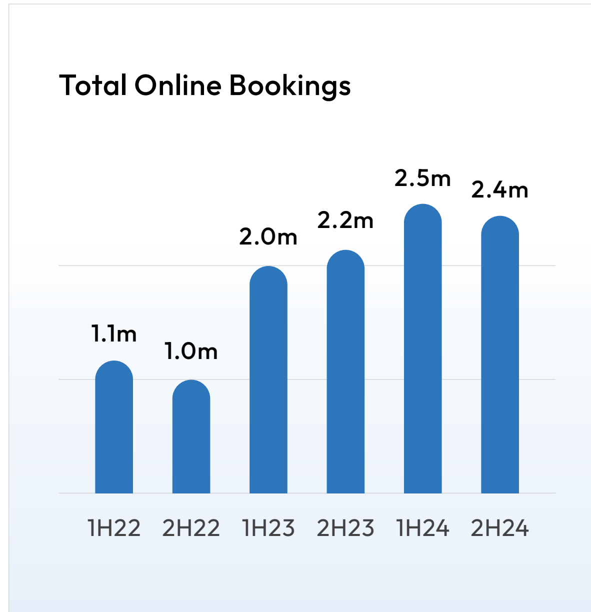
Booking volumes[1]



1 Booking volumes are total volumes and include Offline Bookings, which can be either bundled into a price per Online Booking or at an additional price, as these are primarily automated bookings but processed through the booking tool.

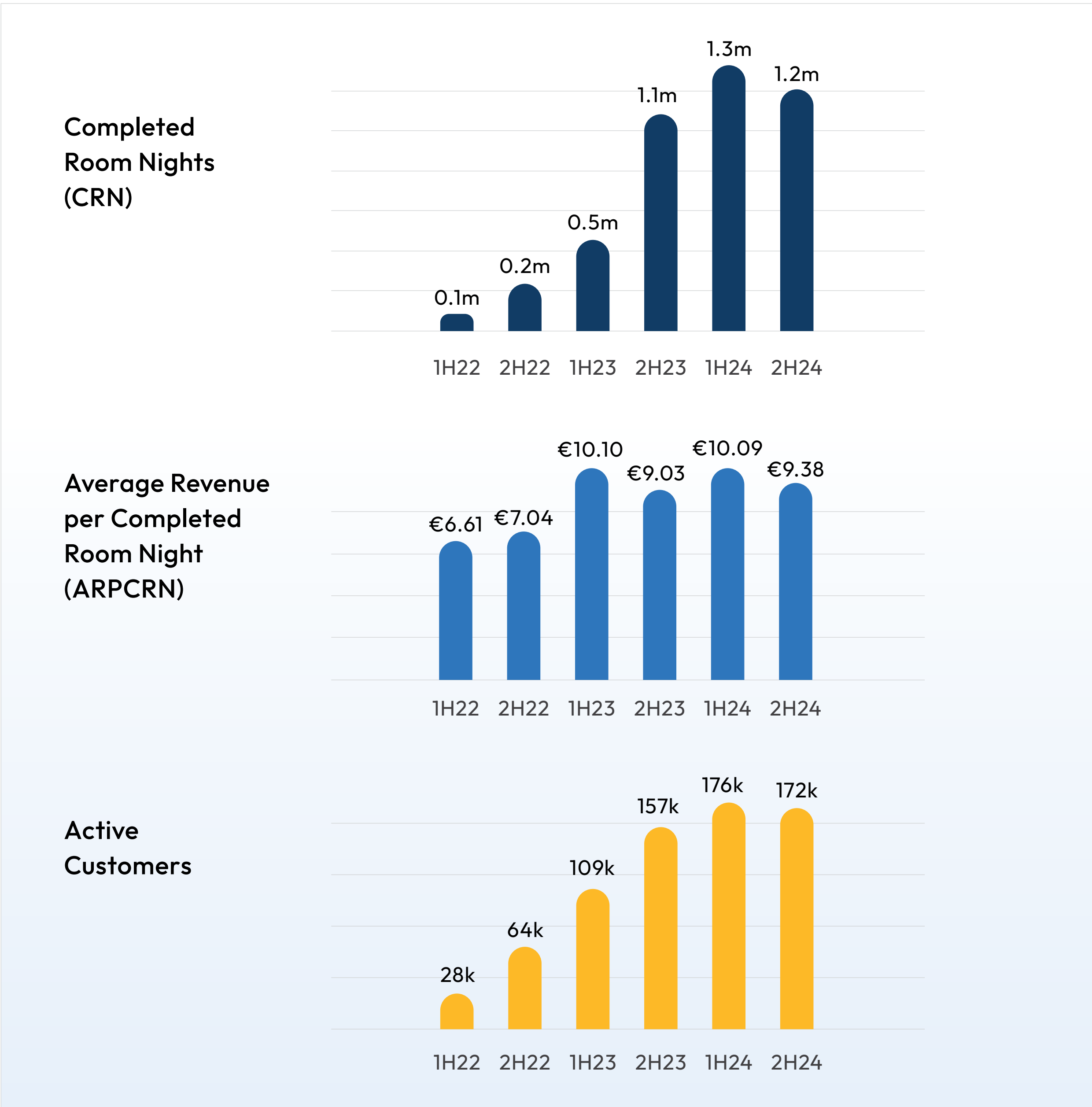
Recent revenue trends





Total Income grew strongly in FY24, with an increase in Total Income of $23.2 million (+48%) and $6.3 million growth (+22%) in the second half of FY24, compared with the same half in FY23. Completed Room Nights for Booking.com for Business increased by 1.0 million (+65%) over FY23 with Active Customers growing to 172k in FY24 from 157k at the end of FY23. Total Income in the second half of FY24 was impacted by lower unmanaged Completed Room Nights, a lower seasonal Average Revenue per Completed Room Night in Booking.com for Business bookings and seasonally lower ANZ Managed Travel revenue.

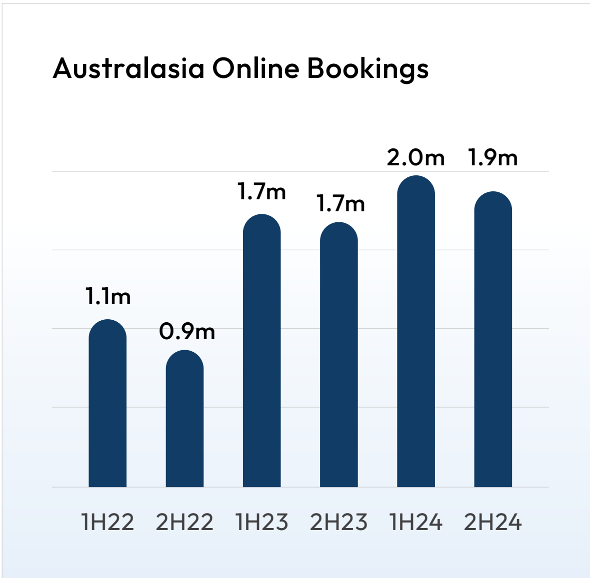
Unmanaged revenue

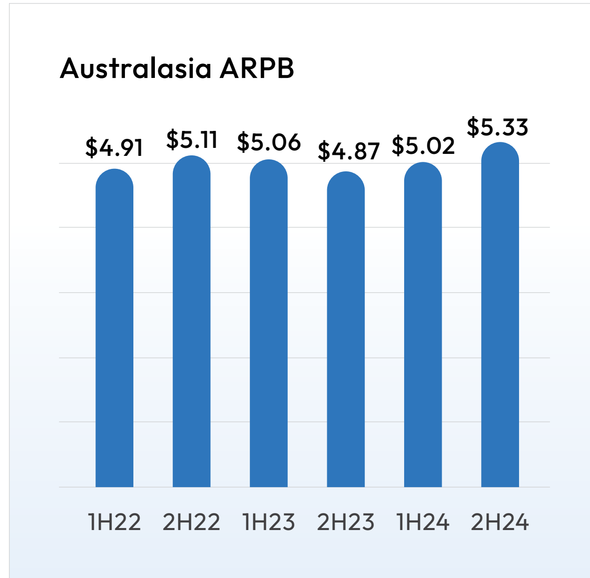


Unmanaged revenue relates to Booking.com for Business and primarily comprises Supplier commissions revenue from hotel bookings. The ARPCRN is impacted by the price of the hotel room and the commission rate for that hotel. Revenue is recognised on the date the hotel stay is completed. Bookings can be for multiple rooms and Serko does not receive revenue in relation to bookings that are subsequently cancelled. Serko therefore focuses on Completed Room Nights (CRN) and Average Revenue per Completed Room Night (ARPCRN) as key metrics, unlike in Managed where bookings and ARPB are the key metrics. Completed Room Nights are higher than the number of bookings so that ARPB is higher than the ARPCRN.

For unmanaged revenue, Online Bookings and Completed Room Nights do not include Global Distribution System (GDS) bookings, which are non-revenue generating for Serko.

Managed revenue





Travel volumes in Australia and New Zealand continued to recover throughout the 2024 financial year, with Online Bookings growing 13% on FY23. Over the year total bookings in Australasia were 95% of 2019 levels, the last pre-pandemic calendar year. New Zealand was at 123% of 2019 levels, reflecting the onboarding of a major New Zealand Travel Management Company (TMC) during 2019. Australia was at 91% of 2019 levels up from 82% last year, reflecting business travel recovery and market share gains. March volumes were weaker in 2024, with Easter coming earlier reducing the month's bookings, while the remaining second half volumes had the same seasonal variation as the prior year.

Revenue by geography

Year ended 31 March	2024 ($000)	2023 ($000)	Change ($000)	%
Australia	20,564	18,130	2,434	13%
New Zealand	2,981	2,480	501	20%
North America	2,980	3,015	(35)	(1%)
Europe and Other	42,236	22,867	19,369	85%
Total Revenue	**68,761**	**46,492**	**22,269**	**48%**

Serko earned 30% (FY23: 39%) of revenue from Australia and 4% (FY23: 5%) from New Zealand sources, with New Zealand-sourced income up 20% and Australia-sourced income up 13% over the prior year.

North America revenue decreased by 1% and declined as a proportion of total revenue (FY24: 4% FY23: 6%) due to the growth in other regions.

Europe and Other revenue increased by 85% to $42.2 million driven by continued growth in revenue from the Booking.com for Business partnership.

How Serko makes money

Business traveller books a hotel, car or taxi via Serko platforms	Business travellers managed by a TMC make a booking via Serko platforms	Business traveller submits receipts using Serko platforms
Supplier commissions	Booking and other fees	Monthly user fee

Serko provides technology platforms, including Zeno, that are used by Enterprise customers, Travel Management Companies (TMCs) and Booking.com to provide a seamless process of booking and managing travel for the world's business travellers. The Zeno platform also offers travel and entertainment expense management services for simple financial control. Serko receives a combination of transaction fees and commissions for the use of the Zeno platform.

Supplier Commissions Revenue

Business travellers book a hotel, flight, car or taxi via Booking for Business (B4B) platform. Booking.com receives commissions from suppliers, primarily hotels. Serko receives a component of these commissions where revenue is recognised at the time the relevant stay is completed, as bookings that are cancelled do not result in revenue.[1]

Serko also earns commission income on a portion of bookings when corporates opt to book Serko-sourced hotel and other traveller-related services. Serko is paid directly from the suppliers of these services and it is included in supplier commissions.

Travel Platform Booking Revenue

Business travellers make a booking via Zeno and Serko receives revenue from the TMC managing the business traveller.

Travel platform revenue is made up of transaction fees, ancillary service fees and contracted minimum payments (where applicable) and is stated net of volume-related rebates and discounts.

Travel platform revenue is generally recognised at the time a booking is made.

Expense Platform Booking Revenue

The Zeno Expense management platforms allow registered users of corporate customers to process travel and expense claims for accounting and reimbursement.

Expense platform revenues are derived from a combination of fees for active users, registered users and reports processed.

Services and Other Revenue & Income

Services revenue is derived from customised software development undertaken on behalf of the TMCs, and installation services. It also includes the fees charged to develop connections to third party systems wanting to integrate with Serko's platforms.[2]

Other revenue includes income from Serko mobile licence fees and other miscellaneous revenues.

Serko also receives research and development tax incentives (RDTI).

1 Serko does not earn any supplier commission on Sabre/CWT bookings (currently low volume).

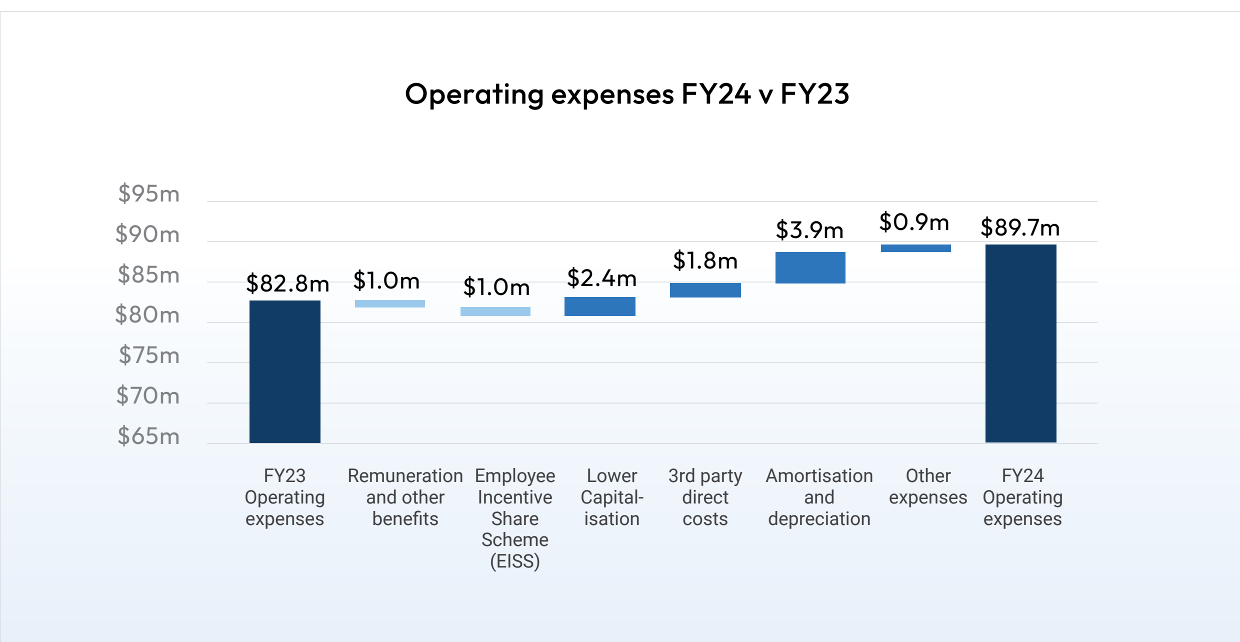
2 The basis of charging can vary depending on the contractual terms with the customer, which may specify time and materials, capped or fixed pricing.

Operating expenses

Operating Expenses	2024 ($000)	2023 ($000)	Change ($000)	%
Total remuneration and benefits	49,417	49,329	88	0%
Percentage of revenue	72%	106%		
Third party direct costs	12,202	10,445	1,757	17%
Percentage of revenue	18%	22%		
Other operating expenses	11,143	10,005	1,138	11%
Percentage of revenue	16%	22%		
Total amortisation and depreciation	16,973	13,040	3,933	30%
Percentage of revenue	25%	28%		
Total Operating Expense	**89,735**	**82,819**	**6,916**	**8%**
Percentage of revenue	131%	178%		

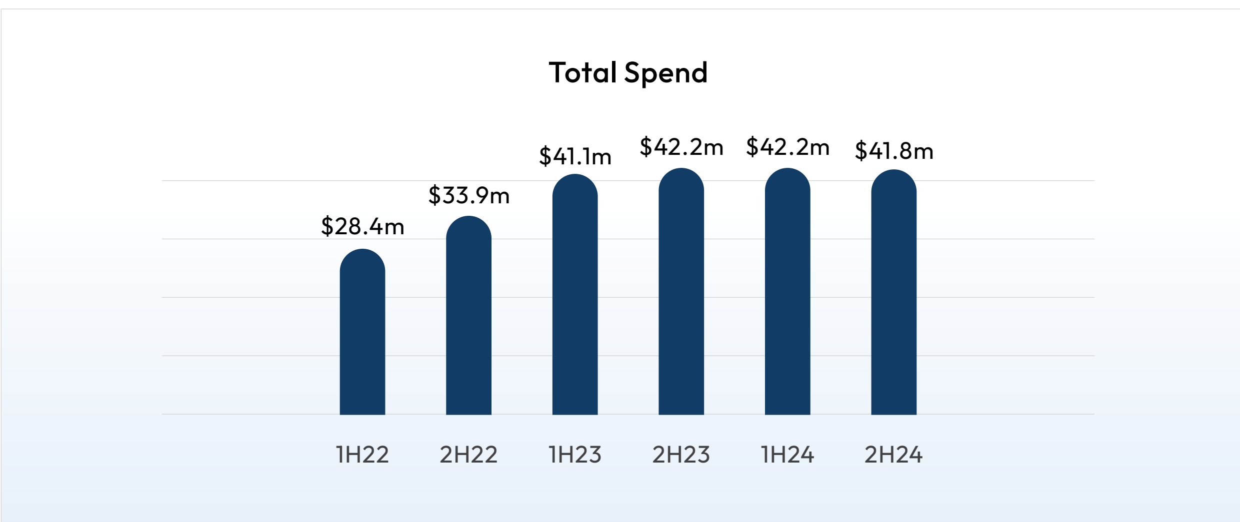
Operating expenses grew by 8% to $89.7 million but declined as a percentage of revenue from 178% to 131% with continued revenue growth and focus on operating leverage.

Operating expense growth included growth in non-cash items, including amortisation and depreciation and a reduction in Capitalisation. The table below shows the year on year (YoY) change in total operating expenses.



Total Spend	2024 ($000)	2023 ($000)	Change ($000)	%
Expenses from ordinary activities	**89,735**	**82,819**	**6,916**	**8%**
Add back: capitalised development	11,187	13,551	(2,364)	(17%)
Deduct: depreciation and amortisation	(16,973)	(13,040)	(3,933)	(30%)
Total Spend	**83,949**	**83,330**	**619**	**1%**
Percentage of revenue	122%	179%		

Total Spend for the year was held almost constant at $83.9 million from $83.3 million (1% increase). A reduction in Capitalisation has offset increases in Other operating expenses and Third party direct costs as transactional volumes increase while scaling to accommodate the revenue growth. Total Spend as a percentage of revenue has decreased from 179% in FY23 to 122% in FY24.



Total Spend from the first half to the second half declined by 1%. Serko has been scaling the business to support revenue growth and has largely reached the scale required to achieve its revenue targets. The majority of Serko's Total Spend relates to remuneration and benefits and has grown from FY22 as headcount numbers have grown, peaking at the end of FY23 and then dropping in FY24. Serko continues to invest in new growth and cost-efficiency initiatives but aims to fund these primarily from efficiency gains rather than new spending.

Product design and development costs

Year ended 31 March	2024 ($000)	2023 ($000)	Change ($000)	%
Total Product Design & Development	40,701	41,735	(1,034)	(2%)
Percentage of revenue	59%	90%		
Less: capitalised product development costs	(11,187)	(13,551)	2,364	17%
Percentage of Product design & development costs	27%	32%		
Total Product design & development costs (excluding amortisation)	**29,514**	**28,184**	**1,330**	**5%**
Percentage of revenue	43%	61%		
Add: Amortisation of capitalised development costs	15,313	11,163	4,150	37%
Total	**44,827**	**39,347**	**5,480**	**14%**
Percentage of revenue	65%	85%		

Product design and development (PD&D) costs is a non-GAAP measure representing the internal and external costs related to PD&D that have been included in operating costs or capitalised as computer software development during the period. PD&D includes all activities related to the design, development and maintenance of Serko's product but excludes operating costs, such as Hosting expenses. PD&D expenses include employee and contractor remuneration related to these activities.

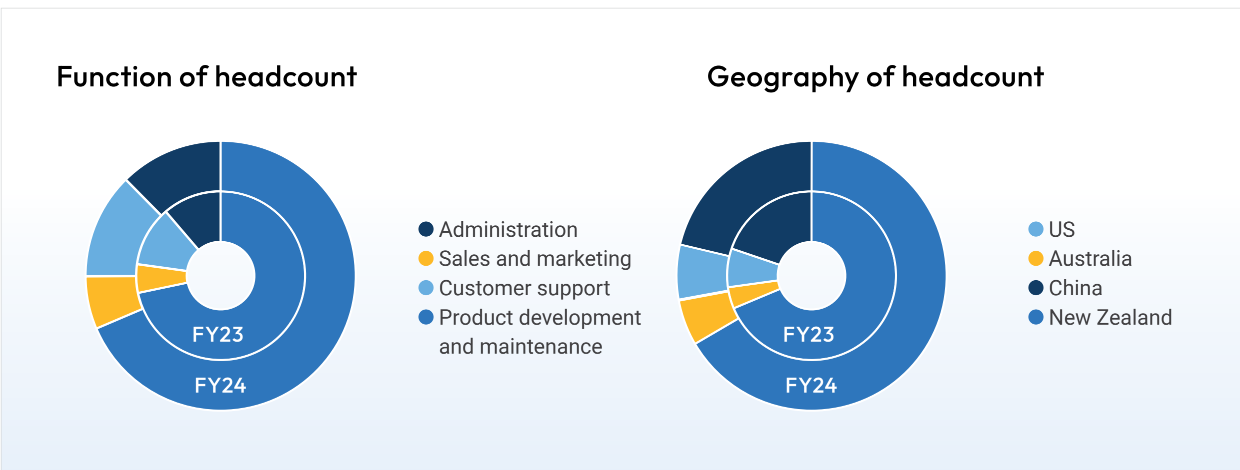
Total PD&D costs decreased by 2% to $40.7 million as the average PD&D headcount has reduced in FY24 because of a reduction in contractor headcount. As a percentage of revenue PD&D costs reduced by 31 percentage points to 59%. Capitalised PD&D costs decreased by 17% to $11.2 million due to less spend on capitalisable projects.

Headcount and average income per headcount

By function:

Year ended 31 March	2024	2023	Change	%
Product development and maintenance	238	261	(23)	(9%)
Sales and marketing	22	20	2	10%
Customer support	44	42	2	5%
Administration	43	41	2	5%
Total headcount at end of year	**347**	**364**	**(17)**	**(5%)**
Average income per headcount (NZD $000)	**200**	**138**	**62**	**45%**

Headcount has reduced from 364 at 31 March 2023 to 347 at 31 March 2024, down 5%, with the majority of the decrease in product development and maintenance as we reduced contractor headcount.



By Region:

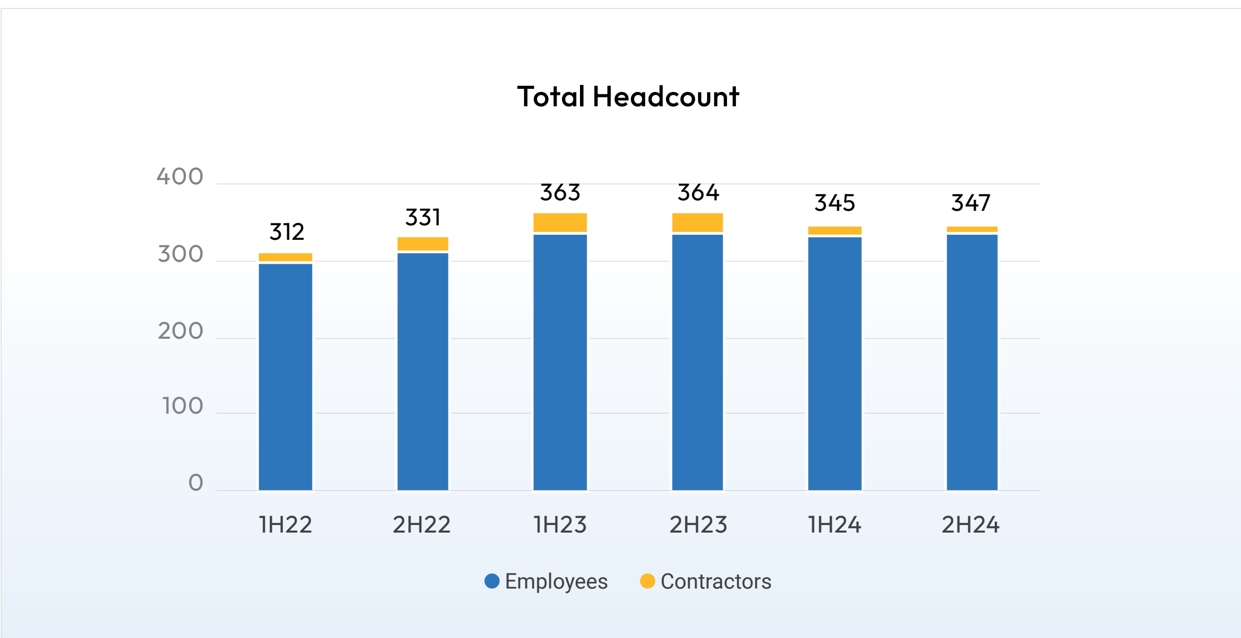
Year ended 31 March	2024	2023	Change	%
New Zealand	231	250	(19)	(8%)
Australia	19	15	4	27%
United States	23	27	(4)	(15%)
China	74	72	2	3%
Total headcount at end of year	**347**	**364**	**(17)**	**(5%)**

Headcount growth was in the Australia and China offices, while in New Zealand it decreased as the majority of the product development and maintenance resources are based in New Zealand.

By Employment type:

Year ended 31 March	2024	2023	Change	%
Permanent staff	337	336	1	0%
Contractors	10	28	(18)	(64%)
Total headcount at end of year	**347**	**364**	**(17)**	**(5%)**

Serko has reduced the number of contractors previously introduced to support key product developments as those initiatives have completed.



After significant headcount growth in FY23 there has been a 5% reduction in overall FY24 headcount as Serko worked to optimise its resourcing levels.

Underlying cash flows

Year ended 31 March	2024 ($000)	2023 ($000)	Change ($000)	%
Adjusted cash flows from operating activities	4,732	(19,156)	23,888	125%
Adjusted cash flows from investing activities	(11,425)	(14,014)	2,589	18%
Adjusted cash flows from financing activities	-	21	(21)	-
Net foreign exchange differences	(412)	529	(941)	(178%)
Underlying cash flow	**(7,105)**	**(32,620)**	**25,515**	**78%**
Average monthly underlying cash burn	**(592)**	**(2,718)**	**2,126**	**78%**
Cash, cash equivalents and short-term deposits at beginning of year	87,744	124,513	(36,769)	(30%)
Add back adjustments:				
One-off payment relating to 2022 made in 2023	-	(4,149)	4,149	-
Reported cash, cash equivalents and short-term deposits at end of year	**80,639**	**87,744**	**(7,105)**	**(8%)**

The table above reconciles Underlying Cash Flows to the Cash Flow Statement in the Financial Statements. Underlying cash flow is cash flows adjusted for items, which are technically cash flows but do not reflect the operating cash requirements of the business, such as net flows between cash and short-term investments and net funds from capital raise. We have also made adjustments for payments paid in FY23 that would ordinarily have been paid in FY22 and relate to FY22.

Cash flows from operating activities improved from a net outflow of $19.2 million to a net inflow of $4.7 million, which is as a result of increased receipts from customers due to increased revenue.

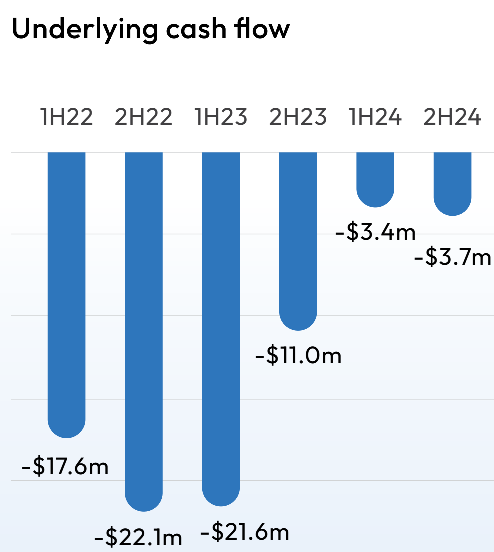
Cash flows from investing activities includes cash outflows for property, plant and equipment and intangibles. Capitalised development decreased in FY24, which resulted in a decrease in cash flow from investing activities with additional outflows in cash flows from operating activities.

Financing cash flows for the year includes receipts for share options exercised by employees.

Total underlying cash burn for the year decreased from $32.6 million to $7.1 million, representing a 78% reduction in cash burn. The underlying average monthly cash burn decreased from $2.7 million to $0.6 million, a similar 78% decrease in average outflow per month.

Cash balances and short-term deposits decreased 8% to $80.6 million as at 31 March 2024, a $7.1 million reduction.

Underlying cash flow is a non-GAAP measure comprising cash flow excluding movements between cash and short-term investments, cash flows related to capital raises and exceptional items from a timing perspective.



Looking across the last six halves underlying cash flows peaked at $22.1 million in the six months to 31 March 2022 ($3.7 million average monthly cash burn) and have declined to $3.7 million in the second half of FY24 ($0.6 million average monthly cash burn) reflecting strong operating leverage as revenue has grown.

Statement of Financial Position

Balance Sheet	**2024** ($000)	**2023** ($000)	**Change** ($000)	**%**
Cash and Short-term Deposits	80,639	87,744	(7,105)	(8%)
Other Current Assets	14,782	13,835	947	7%
Intangibles	31,099	35,041	(3,942)	(11%)
Other Non-current Assets	3,620	4,296	(676)	(16%)
Total Assets	**130,140**	**140,916**	**(10,776)**	**(8%)**
Current Liabilities	13,334	12,242	1,092	9%
Non-current Liabilities	1,080	2,744	(1,664)	(61%)
Equity	115,726	125,930	(10,204)	(8%)
Total Liabilities and Equity	**130,140**	**140,916**	**(10,776)**	**(8%)**

Serko's balance sheet remains strong with cash and short-term investments of $80.6 million and no debt. Intangibles have dropped in FY24 relative to FY23, with lower levels of capitalised product development alongside continued amortisation of the existing value of Intangible assets.

Financial Statements

For the year ending 31 March 2024

The directors of Serko Limited are pleased to present the financial statements for Serko Limited and its subsidiaries (the Group) for the year ended 31 March 2024 to shareholders.

The directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which fairly present the financial position of the Group as at 31 March 2024 and the results of its operations and cash flows for the year ended on that date.

The directors consider the financial statements of the Group have been prepared using accounting policies that have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The directors believe that proper accounting records have been kept that enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Companies Act 1993, NZX Listing Rules, Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

The directors consider they have taken adequate steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The financial statements are signed on behalf of the Board of Directors on 28 May 2024 by:

Claudia Batten
Chair

Jan Dawson
Chair of Audit, Risk and Sustainability Committee

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	31 Mar 2024	31 Mar 2023
		$ (000)	$ (000)
Revenue	4	68,761	46,492
Other income	4	2,424	1,533
Total income		**71,185**	**48,025**
Remuneration and benefits		(49,417)	(49,329)
Other operating expenses		(23,345)	(20,450)
Amortisation and depreciation		(16,973)	(13,040)
Expenses from ordinary activities	**5**	**(89,735)**	**(82,819)**
Loss before finance items		**(18,550)**	**(34,794)**
Foreign exchange gains/(losses) – net		(1,084)	1,737
Finance income	5	4,167	2,878
Finance expenses	5	(219)	(282)
Loss before income tax		**(15,686)**	**(30,461)**
Income tax expense	6	(193)	(79)
Net loss		**(15,879)**	**(30,540)**
Movement in foreign currency translation reserve		627	(440)
Total comprehensive loss for the period		**(15,252)**	**(30,980)**
Earnings per share			
Basic and diluted earnings/(loss) per share (dollars)	16	(0.13)	(0.26)

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Notes	Share capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
		$ (000)	$ (000)	$ (000)	$ (000)	$ (000)
Balance as at 1 April 2023		**237,976**	**10,637**	**(676)**	**(122,007)**	**125,930**
Net loss for the year		-	-	-	(15,879)	(15,879)
Other comprehensive income/(loss)*		-	-	627	-	627
Total comprehensive loss for the year		-	-	**627**	**(15,879)**	**(15,252)**
Transactions with owners						
Equity-settled share-based payments		6,570	(1,545)	-	23	5,048
Balance as at 31 March 2024	**15**	**244,546**	**9,092**	**(49)**	**(137,863)**	**115,726**
Balance as at 1 April 2022		235,101	7,483	(236)	(91,467)	150,881
Net loss for the year		-	-	-	(30,540)	(30,540)
Other comprehensive income/(loss)*		-	-	(440)	-	(440)
Total comprehensive loss for the year		-	-	**(440)**	**(30,540)**	**(30,980)**
Transactions with owners						
Equity-settled share-based payments		2,875	3,154	-	-	6,029
Balance as at 31 March 2023	**15**	**237,976**	**10,637**	**(676)**	**(122,007)**	**125,930**

* Items in other comprehensive income/(loss) may be reclassified to the income statement and are shown net of tax.

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	31 Mar 2024	31 Mar 2023
		$ (000)	$ (000)
Current assets			
Cash at bank	7	14,139	15,244
Short-term deposits	7	66,500	72,500
Trade and other receivables	8	14,637	13,691
Derivative financial instruments	9	145	144
Total current assets		**95,421**	**101,579**
Non-current assets			
Property, plant and equipment	10	2,500	3,946
Intangible assets	11	31,099	35,041
Deferred tax asset	6	1,120	350
Total non-current assets		**34,719**	**39,337**
Total assets		**130,140**	**140,916**
Current liabilities			
Trade and other payables	12	9,734	9,862
Deferred income	14	1,489	1,204
Lease liabilities	13	1,035	1,093
Derivative financial instruments	9	421	-
Income tax payable		655	83
Total current liabilities		**13,334**	**12,242**
Non-current liabilities			
Deferred income	14	132	727
Lease liabilities	13	948	2,017
Total non-current liabilities		**1,080**	**2,744**
Total liabilities		**14,414**	**14,986**
Equity			
Share capital	15	244,546	237,976
Share-based payment reserve	17	9,092	10,637
Foreign currency translation reserve		(49)	(676)
Accumulated losses		(137,863)	(122,007)
Total equity		**115,726**	**125,930**
Total equity and liabilities		**130,140**	**140,916**

For and on behalf of the Board of Directors, who authorise these financial statements for issue on 28 May 2024

Claudia Batten
Chair

Jan Dawson
Chair of Audit, Risk and Sustainability Committee

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

As at 31 March 2024

	Notes	31 Mar 2024	31 Mar 2023
		$ (000)	$ (000)
Cash flows from operating activities			
Receipts from customers		69,101	43,102
Interest received		4,339	2,170
Receipts from government grants		1,663	1,629
Taxation paid		(391)	(393)
Payments to suppliers and employees		(70,946)	(70,812)
Interest payments on lease liabilities		(169)	(223)
Net GST refunded		2,298	2,201
Net cash flows (used in)/from operating activities	**19**	**5,895**	**(22,326)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(232)	(463)
Capitalised development costs and other intangible assets		(11,193)	(13,551)
Investment in term deposits		(85,000)	(117,500)
Proceeds from matured term deposits		91,000	135,000
Net cash flows (used in)/from investing activities		**(5,425)**	**3,486**
Cash flows from financing activities			
Issue of ordinary shares		-	21
Payment of lease liabilities		(1,163)	(951)
Net repayment of loans		-	(28)
Net cash flows (used in)/from financing activities		**(1,163)**	**(958)**
Net decrease in total cash		(693)	(19,798)
Net foreign exchange difference		(412)	529
Cash and cash equivalents at beginning of period		15,244	34,513
Cash and cash equivalents at the end of the period		**14,139**	**15,244**
Cash and cash equivalents comprises the following:			
Cash at bank and on hand	7	14,139	15,244
		14,139	**15,244**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2024

1. CORPORATE INFORMATION

The financial statements of Serko Limited (Company or Serko) and subsidiaries (the Group) were authorised for issue in accordance with a Board resolution.

The Company is a limited liability company domiciled and incorporated in New Zealand under the Companies Act 1993 and is listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX) as an ASX Foreign Exempt Listing. The Company is a for-profit entity and is required to be treated as an FMC reporting entity under the Financial Markets Conduct Act 2013.

Its registered office is at Unit 14d, 125 The Strand, Parnell, Auckland, New Zealand.

The Group provides online business travel booking software solutions and is headquartered in Auckland, New Zealand.

2. BASIS OF ACCOUNTING

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in the respective notes and in this note. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the requirements of the Financial Markets Conduct Act 2013. The financial statements comply with New Zealand equivalents to IFRS Accounting Standards and IFRS Accounting Standards, as appropriate for profit-oriented entities with public accountability. Other than where described below, or in the notes, the consolidated financial statements have been prepared using the historical cost convention.

The financial statements are presented in New Zealand dollars (NZD) and all values are rounded to the nearest thousand dollars unless stated otherwise.

b) Going concern

The Board has considered the ability of the Group to continue to operate as a going concern for at least the next 12 months from the date the financial statements are authorised for issue. It is the conclusion of the Board that the Group will continue to operate as a going concern and the consolidated financial statements have been prepared on that basis. In reaching their conclusion the Board has considered the following factors:

- Cash reserves (Cash at bank and Short-term deposits) at 31 March 2024 of $80.6 million provides a sufficient level of headroom to support the business for at least the next 12 months; and
- Average monthly cash burn for the year was $0.6 million.

c) Basis of consolidation

The Group consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has the rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Subsidiaries are consolidated from the date the Company obtains control. They are de-consolidated from the date that control is lost. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for an acquisition is measured as the fair value of the assets transferred by the Group, equity instruments issued, and liabilities incurred or assumed, by the Group at the date of exchange.

Costs directly attributable to the acquisition are recognised in the income statement. At the acquisition date the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

A change in the ownership interest of a subsidiary, without a cease of control, is accounted for as an equity transaction. If the Group ceases control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any noncontrolling interests;
- Derecognises the cumulative translation difference recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Intra-Group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

d) Foreign currency translation

i) Functional and presentation currency

Items included in these consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in New Zealand dollars, which is the Group's presentation currency and the parent's functional currency.

Key factors supporting the determination that New Zealand dollars are the Company's functional currency are:

- Serko is NZX listed and has raised capital in New Zealand dollars;
- Serko generates revenue in multiple currencies; and
- New Zealand dollars are the primary currency for labour, operating cost and capital expenditure.

ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at balance date.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year end of exchange rates for monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss.

iii) Foreign currency translation reserve (FCTR)

Serko translates the results of its foreign operations from their functional currencies to the presentation currency using the closing exchange rate at balance date for assets and liabilities and the average monthly exchange rates for income and expenses. The difference arising from the translation of the statement of financial position at the closing rates and the statement of comprehensive income at the average rates is recognised in other comprehensive income and accumulated within the foreign currency translation reserve within the statement of changes in equity.

e) Sales tax

The Consolidated Statement of Comprehensive Income and the Consolidated Statement of Cash Flows have been prepared so that all components are stated exclusive of sales tax, except where sales tax is not recoverable. All items in the Consolidated Statement of Financial Position are stated net of sales tax except for trade receivables and trade payables, which include sales tax payable/receivable. Sales tax includes Goods and Services Tax.

f) Application of new and revised standards, amendments and interpretations

IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) was issued in April 2024 as replacement for IAS 1 Presentation of Financial Statements (IAS 1). The Group is currently assessing the impact of IFRS 18 and will disclose a more detailed assessment in the future.

The Group has considered all NZ IFRS standards, interpretations and amendments that have been issued, but are not yet effective, and aside from the aforementioned IFRS 18, concluded that there are none which would materially impact the Group. The Group has not adopted, and currently does not anticipate adopting, any standards that are mandatory in future periods, prior to their effective date.

g) Comparatives

Certain comparative amounts have been reclassified to conform to the current year's presentation.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires the Group to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures.

The significant judgements, estimates, and assumptions made by management in the preparation of these financial statements are outlined within the financial statement notes to which they relate.
A summary of these judgements is as follows:

- Capitalised development costs (note 11)
- Impairment of intangible assets (note 11)
- Revenue (note 4)

4. REVENUE AND OTHER INCOME

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. Revenue is disclosed net of credit notes, rebates and discounts.

a) Revenue from transaction and usage fees

Revenue from transaction and usage fees include travel platform booking revenue, expense platform revenue and supplier commission revenue.

Revenue from travel platform bookings is recorded at the time the travel bookings are processed through Serko's platforms. The revenue generated is derived from numerous customer contracts that feature diverse pricing structures including transactional and usage fees with varying triggers for recognising revenue. Some contracts have fixed minimum booking volume arrangements. These commitments typically cover the duration of the agreement and extend across multiple financial reporting periods, and revenue is recognised over the period of volume commitment. Serko records revenue from its portfolio of contracts with reference to actual transactions, forecast transactions and minimum contracted commitments. Management exercises judgement to estimate future transaction volumes in order to determine projected revenue and accrue or defer revenue accordingly. For contracts without fixed consideration, we have applied the 'as invoiced' basis of recognition.

Expense platform revenue is earned over a month, however we have applied the practical expedient by recognising revenue at a point in time. Revenue is recognised on an active user basis at the end of each month.

Supplier commission revenue, predominantly from hotel bookings, is recognised when the performance obligation is fulfilled, which is when the reservation has been completed (completed stay). Management exercises judgement to estimate the amount of accrued commissions due at reporting date due to the timing of commissions received from partners.

b) Revenue from services

Revenue from services is generated from installation or other chargeable work orders and is recognised upon completion of the contract or services.

4. REVENUE AND OTHER INCOME (continued)

c) Contract assets

Contract assets primarily relate to accrued supplier commissions revenue (refer note 8).

The contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. Contract modifications arising from changes in pricing minimum guaranteed volumes are assessed on an individual basis and are accounted for prospectively, rather than adjusting the revenue for already satisfied performance obligations.

d) Contract liabilities

If payments received exceed the revenue recognised to date, a contract liability is recognised for the difference (refer note 14).

	Notes	2024	2023
		$ (000)	$ (000)
Revenue – transaction and usage fees:			
Travel platform booking revenue		19,215	16,283
Expense platform revenue		5,291	4,960
Supplier commissions revenue		42,930	23,363
Services revenue		1,000	1,555
Other revenue		325	331
Total revenue		**68,761**	**46,492**
Government grants	14	2,412	1,533
Other		12	-
Total other income		**2,424**	**1,533**
Total revenue and other income		**71,185**	**48,025**

	2024	2023
	$ (000)	$ (000)
Geographic information		
Australia	20,564	18,130
New Zealand	2,981	2,480
US	2,980	3,015
Europe and Other	42,236	22,867
Total revenue	**68,761**	**46,492**

4. REVENUE AND OTHER INCOME (continued)

The Board and Executive Team monitor the results of the Group's operations as a whole for the purpose of making decisions about resource allocation and performance assessment and therefore the Board has determined the Group is a single reportable operating segment. For the year ended 31 March 2024 Serko had two customers (2023: two) that contributed more than 10% of the revenue for the Group. These customers accounted for $52.2 million of the revenue for the year ended 31 March 2024 (2023: $33.3 million).

Serko reduces supplier commissions revenue by the amount of consideration payable to customers relating to jointly agreed marketing fees. For the year ended 31 March 2024, consideration payable to customers was $2.0 million (2023: $1.8 million).

5. EXPENSES

	2024 $ (000)	2023 $ (000)
Loss before finance and taxation includes the following expenses:		
Employee remuneration	41,633	40,924
Contributions to pension plans	2,148	1,759
Share-based payment expenses	5,048	6,008
Other remuneration and benefits	588	638
Total remuneration and benefits	**49,417**	**49,329**
Hosting expenses	7,796	6,638
Third party connection costs	2,257	1,889
Other platform related costs	2,149	1,918
Auditor remuneration and other assurance fees	290	268
Directors' fees	465	447
Directors' fees - subsidiaries	18	18
Movement of expected credit loss allowance on receivables	(601)	28
Bad debts written off	647	13
Rental and operating lease expenses	117	134
Professional fees	2,300	1,627
Computer licences	1,736	1,540
Insurance costs	1,288	986
Marketing expenses	1,392	1,610
Recruitment fees	370	567
Donations	24	11
Travel and entertainment	1,372	1,128
Other expenses	1,725	1,628
Total other operating expenses	**23,345**	**20,450**
Amortisation	15,313	11,163
Depreciation	1,660	1,877
Total amortisation and depreciation	**16,973**	**13,040**
Expenses from ordinary activities	**89,735**	**82,819**

5. EXPENSES (continued)

	2024	2023
	$ (000)	$ (000)
Finance income and expenses includes:		
Finance income		
Interest received	4,166	2,877
Dividends received	1	1
Total finance income	**4,167**	**2,878**
Finance expenses		
Interest expense on lease liabilities	(169)	(223)
Other finance expenses	(50)	(59)
Total finance expenses	**(219)**	**(282)**
Total finance income and expenses	**3,948**	**2,596**

Auditor remuneration

	2024	2023
	$ (000)	$ (000)
Amounts for services performed by Deloitte Limited:		
Audit of financial statements	260	238
Other assurance services*	30	30
Total audit fees	**290**	**268**

* Other assurance services relate to the Greenhouse Gas Emissions Inventory limited assurance engagement in the current and prior year.

6. INCOME TAX

Income tax expense comprises of current and deferred tax movements.

Tax assets and liabilities for the current period are measured at the amount expected to be recovered from, or paid to, the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted in the jurisdictions in which the Group operates at the reporting date. Taxation is recognised in the income statement, except when it relates to items recognised directly in equity.

Deferred tax is recognised on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the entity has unrecognised losses sufficient to cover the deferred income tax liability; and
- For a deferred income tax liability arising from the initial recognition of goodwill; and
- Where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, nor gives rise to equal taxable or deductible temporary differences.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) relevant to the appropriate tax jurisdiction, that have been enacted or substantively enacted at the balance date.

	2024	**2023**
	$ (000)	$ (000)
Current income tax		
Current income tax charge	646	509
Adjustments in respect of income tax	317	(144)
	963	**365**
Deferred income tax		
Origination and reversal of temporary differences	(770)	(286)
Income tax expense/(benefit) reported in the statement of comprehensive income	**193**	**79**

6. INCOME TAX (continued)

The *prima facie* tax payable on profit before income tax is reconciled to the income tax expense as follows:

	2024	2023
	$ (000)	$ (000)
Accounting loss before income tax	(15,686)	(30,461)
At the statutory income tax rate of 28% (2023:28%)	(4,392)	(8,529)
Non-deductible items	33	4,728
Adjustments in respect of income tax	317	(144)
Foreign taxes	(124)	224
Tax losses and temporary differences unrecognised	4,346	4,196
Effect of tax on overseas subsidiaries at different rate	13	(396)
Income tax (benefit)/expense	**193**	**79**
At effective income tax rate of:	-1.2%	-0.3%

Deferred income tax at 31 March relates to the following:

	2024		2023	
	Statement of financial position	Statement of comprehensive income	Statement of financial position	Statement of comprehensive income
	$ (000)	$ (000)	$ (000)	$ (000)
Deferred income tax liabilities recognised				
Intangibles	-	19	(19)	65
Deferred income tax asset recognised				
Intangibles and non-current assets*	588	586	3	2
Employee entitlements	304	118	185	38
Provisions	224	43	181	181
Other	4	4	-	-
Net deferred tax asset recognised	**1,120**	**770**	**350**	**286**
Deferred income tax liabilities not recognised				
Intangibles	(22)	(22)	-	22
Deferred income tax asset not recognised				
Intangibles and non-current assets*	-	(132)	132	90
Provisions	999	489	510	83
Employee entitlements	545	17	528	72
Share based payments	1,478	(114)	1,592	(49)
Capital expenditure - patents	-	(1)	1	-
Deferred income tax asset not recognised	**3,000**	**237**	**2,763**	**218**

*Net of lease liabilities.

6. INCOME TAX (continued)

Unrecognised tax losses carried forward include $114.2 million (2023: $98.6 million) relating to New Zealand and $8.7 million (2023: $10.8 million) relating to foreign jurisdictions.

The New Zealand tax group has a history of tax losses which do not expire. Given the historical losses, no recognition of New Zealand temporary or tax loss assets has occurred.

7. CASH AT BANK AND SHORT-TERM DEPOSITS

Cash and cash equivalents in the consolidated statement of financial position comprises cash at bank, and short-term highly liquid investments with an original maturity of three months or less.

	2024	2023
	$ (000)	$ (000)
Cash at bank – New Zealand dollar balances	5,006	6,338
Cash at bank – foreign currency balances	9,133	8,906
Cash and cash equivalents	**14,139**	**15,244**
The carrying amounts of the group's cash at bank are denominated in the following currencies:		
New Zealand dollars	5,006	6,338
Australian dollars	1,232	602
Chinese Yuan	1,980	1,330
US dollars	5,069	5,857
Euros	852	1,117
	14,139	**15,244**
Short-term deposits	**66,500**	**72,500**

Cash includes USD $1.0 million (2023: USD $1.0 million) of restricted cash in the form of a minimum bank balance required in the US to provide same-day clearance for expense reimbursement services.

Short-term deposits of $66.5 million (2023: $72.5 million) represent term deposits used for the investment of surplus funds. Short-term deposits are all New Zealand dollars denominated.

8. TRADE AND OTHER RECEIVABLES

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. In accordance with NZ IFRS 9: Financial instruments, trade receivables are assessed for impairment and an expected credit loss (ECL) provision made based on lifetime expected credit losses. The ECL model considers various aspects of credit risk within a risk matrix, considering history of debtor write off, ageing of invoices, country, market and product risk.

The impairment, and any subsequent movement, including recovery, is recognised in the statement of comprehensive income.

	2024	2023
	$ (000)	$ (000)
Trade receivables	3,560	3,289
Expected credit loss provision	(174)	(220)
Trade receivables (net)	**3,386**	**3,069**
GST receivable	396	545
Sundry debtors	2,560	2,459
Contract assets	6,234	5,845
Prepayments	2,061	1,773
Total trade and other receivables	**14,637**	**13,691**
Foreign currency risk		
The carrying amounts of the group's receivables are denominated in the following currencies:		
New Zealand dollars	3,291	2,849
Australian dollars	2,370	2,509
Euro	6,193	6,379
US dollars	872	383
Other	24	18
	12,750	**12,138**

At 31 March the aging analysis of receivables and contract assets was as follows:

	2024	2023
Aging analysis	$ (000)	$ (000)
0-30 days	6,748	7,963
31-60 days	2,879	3,015
61-90 days	-	71
91+ days	167	527
	9,794	**11,576**

8. RECEIVABLES (continued)

Expected credit loss – Trade receivables

Group trade receivables over 60 days were $167 thousand (2023: $598 thousand). An ECL provision of $174 thousand (2023: $220 thousand) has been made, resulting in a movement for the period of $46 thousand (2023: $28 thousand). Additionally, the Group recognises an allowance of individual receivables if there is objective evidence of credit impairment or non-collectability.

Trade receivables are non-interest bearing and are generally on 30 to 60-day terms. Serko has historically low levels of impairment on trade receivables.

Movement in the Group's expected credit loss during the year was as follows:

	2024 $ (000)	2023 $ (000)
Balance at 1 April	220	192
Bad Debts written off	(647)	(13)
Expected credit loss provision	601	41
Balance at 31 March	**174**	**220**

9. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments

The Group uses derivatives in the form of forward exchange contracts (FECs) to reduce the risk that movements in the exchange rate will affect the Group's New Zealand dollar cash flows. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The following table presents the Group's foreign currency forward exchange contracts measured at fair value:

	2024 $ (000)	2023 $ (000)
Current:		
Foreign currency forward exchange contracts: asset	145	144
Foreign currency forward exchange contracts: (liability)	(421)	-
Contractual amounts of forward exchange contracts outstanding were as follows:		
Foreign currency forward exchange contracts: asset	16,210	38,806
Foreign currency forward exchange contracts: (liability)	30,536	-

Derivative financial instruments have been determined to be within level 2 of the fair value hierarchy. Foreign currency forward exchange contracts have been fair valued using published market foreign exchange rates and contract forward rates discounted at rates that reflect the credit risk of the counterparties.

10. PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are recorded at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

The following estimates have been used:
- Leasehold improvements - Term of lease (16.7% - 25%)
- Furniture and fittings - 10% - 13.5%
- Computer equipment - 17.5% - 48%
- Right-of-use asset - Term of lease

	Leasehold improvement $ (000)	Furniture & fittings $ (000)	Computer equipment $ (000)	Right-of-use asset* $ (000)	Total $ (000)
2024					
Cost or valuation					
Balance at 1 April 2023	617	952	2,948	5,773	10,290
Additions	32	18	182	-	232
Lease modifications	-	-	-	6	6
Disposals	(3)	(77)	(104)	(394)	(578)
Currency translation	2	5	14	54	75
Balance at 31 March 2024	**648**	**898**	**3,040**	**5,439**	**10,025**
Depreciation					
Balance at 1 April 2023	543	505	2,286	3,010	6,344
Depreciation expense	17	82	477	1,084	1,660
Disposals	(1)	(34)	(83)	(390)	(508)
Currency translation	2	2	12	13	29
Balance at 31 March 2024	**561**	**555**	**2,692**	**3,717**	**7,525**
Net carrying amount	**87**	**343**	**348**	**1,722**	**2,500**
2023					
Cost or valuation					
Balance at 1 April 2022	609	870	2,574	5,086	9,139
Additions	7	85	371	1,018	1,481
Disposals	-	(6)	(28)	(379)	(413)
Currency translation	1	3	31	48	83
Balance at 31 March 2023	**617**	**952**	**2,948**	**5,773**	**10,290**
Depreciation					
Balance at 1 April 2022	477	421	1,680	2,242	4,820
Depreciation expense	69	86	608	1,114	1,877
Disposals	-	(2)	(28)	(379)	(409)
Currency translation	(3)	-	26	33	56
Balance at 31 March 2023	**543**	**505**	**2,286**	**3,010**	**6,344**
Net carrying amount	**74**	**447**	**662**	**2,763**	**3,946**

* Right-of-use assets relate to premises leases.

10. PROPERTY, PLANT AND EQUIPMENT (continued)

a) Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts.

b) Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

11. INTANGIBLES

Intangible assets consist of both internally generated intangible assets such as capitalised expenditure for software development, and externally generated intangible assets such as trademarks, intellectual property and goodwill upon acquisition.

Key judgements on the capitalisation of development costs

An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset. Also considered by management is how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to reliably measure the expenditure attributable to the intangible asset during its development. Following initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and impairment losses. Any expenditure capitalised is amortised over the period of expected benefit from the related project.

Software assets in the current year relate to the continued development of the Group's Booking.com integration with Zeno along with the ongoing development of the existing product offerings. The group capitalises software development costs based on direct costs associated with the project and a proportion of employee costs that directly relate to the software development project. Computer software development costs recognised as assets are amortised over their estimated useful lives and tested for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets under development and not yet completed at balance date are recorded as work in progress.

Other expenditures that do not meet the above criteria are recognised as expenses as they are incurred. This includes research costs and costs associated with maintaining internal computer software programmes.

Amortisation and impairment of non-financial assets

Amortisation is recognised as an expense in the income statement. The estimated useful lives are as follows:

- Goodwill and Other intangible assets (indefinite useful life, not amortised but tested annually for impairment);
- Intellectual property (finite, amortised on five years straight-line basis); and
- Computer software (finite, amortised between three and five years on a straight-line basis).

11. INTANGIBLES (continued)

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested annually for impairment, or immediately if events or changes in circumstances indicate that it might be impaired and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not subsequently reversed.

Intangible assets that are recorded as work in progress or that have indefinite useful lives are not subject to amortisation. These assets are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units (CGUs)). Non-financial assets, including work in progress and computer software, are assessed for impairment at a Group level under one CGU.

Non-financial assets, other than goodwill that suffered impairment, are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

The recoverable amount of the cash-generating unit is determined from a value-in-use calculation that uses a discounted cash flow analysis. The key assumptions for the value-in-use calculation are those regarding the discount rate, growth rates and forecast financial performance and cash flows.

Management estimates the discount rate using rates that reflect current market assumptions of the time value of money and risk specific to the cash-generating unit. The growth rates are based on management's best estimate. Forecast revenues, direct and indirect costs, are based on historical experience/past practices and expectations of future changes in the markets the Group operates in and services.

Key judgements and estimates – impairment considerations

In undertaking an impairment review of the single CGU the following assumptions were used in the impairment model:

- Cash flow projections across a five-year forecast period;
- The assumptions with the greatest impact on impairment testing are as follows:
  - The retention of and continued growth in revenues from key customers;
  - A pre tax discount rate of 14.1% (2023: 16.6%), equivalent to a post tax weighted average cost of capital of 11.5% (2023: 13.4%);
  - The Discount factor is applied using a mid-year convention; and
  - Terminal growth rate of 3.2% (2023: 3.0%).

In assessing the sensitivity of the forecasts to changes in assumptions, an analysis of key underlying assumptions was performed and applied to the weighted average scenario. This included reducing the estimated revenue in the fifth year by 20%, reducing the terminal growth rate by 3% and increasing the discount rate by 2%. These reasonably possible changes in assumptions did not result in any impairment.

11. INTANGIBLES (continued)

	Goodwill	Intellectual property	Other intangible assets	Development work in progress	Computer software	Total
	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)
2024						
Cost						
Balance at 1 April 2023	1,521	1,603	78	4,378	52,638	60,218
Additions	-	-	-	11,193	-	11,193
Transfer of cost	-	-	-	(10,695)	10,695	-
Currency translation	73	78	-	-	197	348
Balance at 31 March 2024	**1,594**	**1,681**	**78**	**4,876**	**63,530**	**71,759**
Amortisation and impairment						
Balance at 1 April 2023	-	1,363	-	-	23,814	25,177
Amortisation	-	247	78	-	14,988	15,313
Currency translation	-	71	-	-	99	170
Balance at 31 March 2024	**-**	**1,681**	**78**	**-**	**38,901**	**40,660**
Net carrying amount	**1,594**	**-**	**-**	**4,876**	**24,629**	**31,099**
2023						
Cost						
Balance at 1 April 2022	1,336	1,409	78	6,275	36,774	45,872
Additions	-	-	-	13,551	-	13,551
Transfer of cost	-	-	-	(15,448)	15,448	-
Currency translation	185	194	-	-	416	795
Balance at 31 March 2023	**1,521**	**1,603**	**78**	**4,378**	**52,638**	**60,218**
Amortisation and impairment						
Balance at 1 April 2022	-	928	-	-	12,886	13,814
Amortisation	-	321	-	-	10,842	11,163
Currency translation	-	114	-	-	86	200
Balance at 31 March 2023	**-**	**1,363**	**-**	**-**	**23,814**	**25,177**
Net carrying amount	**1,521**	**240**	**78**	**4,378**	**28,824**	**35,041**

12. TRADE AND OTHER PAYABLES

Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

The average credit period on trade payables is approximately 30 days.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, long-service leave and annual leave expected to be settled within 12 months of the reporting date, are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

	2024	**2023**
	$ (000)	$ (000)
Trade payables	1,350	2,311
Accrued expenses	5,338	4,644
Annual leave accrual	3,046	2,907
Total trade and other payables	**9,734**	**9,862**
Disclosed as:		
Current	9,734	9,862
Non-current	-	-
	9,734	**9,862**
Foreign currency risk		
The carrying amounts of the group's payables are denominated in the following currencies:		
New Zealand dollars	7,259	7,416
Australian dollars	942	716
US dollars	865	1,133
Other	668	597
	9,734	**9,862**

13. LEASE LIABILITIES

Recognition and measurement of Serko leasing activities

The Group leases property for fixed periods of between one and six years and some include extension options. These extension options are usually at the discretion of the Group and are included in the measurement of the lease asset if management concludes it is reasonably certain that the extension will be exercised.

Lease liabilities include the net present value of fixed payments less any lease incentives receivable. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The amortisation of the discount applied on recognition of the lease liability is recognised as interest expense in the income statement.

Key movements relating to lease balances are presented below:

Low value and short-term leases are expensed to the income statement. These include leases on property of $86 thousand (2023: $79 thousand) that are short term in nature.

	2024 $ (000)	2023 $ (000)
Balance at 1 April	3,110	2,977
Leases entered into during the period	-	1,073
Lease modification	6	-
Principal repayments	(1,163)	(951)
Foreign exchange adjustment	30	11
Closing balance	**1,983**	**3,110**
Classified as:		
Current	1,035	1,093
Non-current	948	2,017
Closing balance	**1,983**	**3,110**
Maturity analysis - contractual undiscounted cash flows:		
Less than 1 year	1,128	1,263
Greater than 1 year but less than 2 years	596	1,142
Greater than 2 years	405	1,017
Total undiscounted lease liabilities at 31 March	**2,129**	**3,422**

14. DEFERRED INCOME AND GOVERNMENT GRANTS

Deferred income is presented in the table below:

	2024 $ (000)	2023 $ (000)
Opening deferred income	**1,931**	**1,861**
Covid-19 government subsidies	(151)	(151)
Research and development tax credit (RDTI)	(608)	293
Contract liabilities	449	(72)
Closing deferred income	**1,621**	**1,931**
Deferred income disclosed as:		
Current	1,489	1,204
Non-current	132	727
	1,621	**1,931**

Government grants are not recognised until there is a reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

The Research and development tax credit is recognised as income as it is expected to be received in cash.

Government grants are recognised in the consolidated statement of comprehensive income on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. As some grants relate to costs capitalised to depreciable assets, amounts are recognised as deferred income in the consolidated statement of financial position and transferred to the income statement on a systematic and rational basis over the useful lives of the related assets.

Income relating to grants is presented in table below:

	2024 $ (000)	2023 $ (000)
During the year, the Group claimed the following grants:		
Research and development tax credit (RDTI)	1,882	1,589
Other government grants	178	86
Total compensation	**2,060**	**1,675**
Income recognised		
Covid-19 government subsidies	151	151
Research and development tax credit (RDTI)	2,083	1,296
Other government grants	178	86
Total income recognised	**2,412**	**1,533**

15. EQUITY

Ordinary share capital is recognised at the fair value of the consideration received for the issue of new shares in the Company. Transaction costs relating to the listing of new ordinary shares and the simultaneous sale and listing of existing shares are allocated to those transactions on a proportional basis.

Transaction costs relating to the sale and listing of existing shares are not considered costs of an equity instrument as no equity instrument is issued and, consequently, costs are recognised as an expense in the statement of comprehensive income when incurred. Transaction costs relating to the issue of new share capital are recognised directly in equity as a reduction of the share proceeds received.

During the year the Group allocated the following restricted shares to Serko employees (refer to note 17):

- In respect of the Restricted Share Plan (RSP), the Group allocated nil shares (2023: nil). Unallocated shares are 1,263,865 (2023: 1,263,865); and
- In respect of Restricted Share Units (RSU), the Group allocated 2,278,734 (2023: 1,168,329).

	2024	2023	2024 Number of shares	2023 Number of shares
	$ (000)	$ (000)	(000)	(000)
Ordinary shares				
Balance at 1 April	237,976	235,101	120,443	119,921
Issue of shares pursuant to US Options plan	-	21	-	8
Issue of shares pursuant to RSU scheme	6,570	2,854	1,403	514
Share capital at 31 March	**244,546**	**237,976**	**121,846**	**120,443**
Share-based payment reserve				
Balance at 1 April	10,637	7,483		
RSUs expensed during the year	5,048	6,008		
Shares vested to employees via RSU scheme	(6,570)	(2,854)		
Share options expired	(23)	-		
Share-based payment reserve at 31 March	**9,092**	**10,637**		

16. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit / (loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit / (loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of shares that would be issued on conversion of all of the dilutive potential ordinary shares into ordinary shares. Potential ordinary shares are treated as dilutive when their conversion to ordinary shares would decrease EPS or increase the loss per share.

The following reflects the data used in the basic and diluted EPS computations:

	2024 $ (000)	2023 $ (000)
Loss attributable to ordinary equity holders of the parent		
Continuing operations	(15,879)	(30,540)
	(15,879)	**(30,540)**

	Notes	2024 Number (000)	2023 Number (000)
Basic earnings per share			
Issued ordinary shares	15	121,846	120,443
Weighted average of issued ordinary shares		121,616	120,344
Adjusted for unallocated employee restricted share plan shares		(3,014)	(1,264)
Weighted average of issued ordinary shares outstanding		**118,602**	**119,080**
Basic and diluted earnings/(loss) per share (dollars)		**(0.13)**	**(0.26)**

	2024 Cents	2023 Cents
Net tangible assets per security*	68.75	76.26

* Net tangible assets per security is a non-GAAP measure and is provided for NZX reporting purposes. Net tangible assets per security is calculated as Total assets less Total liabilities less Intangible assets divided by the issued ordinary shares (excluding treasury shares) as at 31 March.

17. SHARE-BASED PAYMENTS

Employees of the Group receive remuneration at the Board's discretion in the form of share-based payment transactions, where services are provided as consideration for the receipt of equity instruments.

The cost of share-based payment transactions are recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled. The cumulative expense recognised for share-based transactions at each reporting date, until the vesting date, reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expenses recognised at the beginning and end of that period.

No cumulative expense is recognised for awards that do not ultimately vest except where vesting is conditional upon a market condition.

Employee Restricted Share Plan

The employee Restricted Share Plan has been superseded by the Restricted Share Units scheme. There are no future plans to allocate the shares held by the trustee. At year end there were 1,263,865 unallocated shares held by the trustee (2023: 1,263,865 shares)

Employee Restricted Share Units scheme (RSUs)

Under the Restricted Share Units scheme (RSUs), ordinary shares in Serko Limited are allocated to employees at grant date with a zero-exercise price and will be taxable to the employee in the income year when the awards vest.

Vesting conditions are based on:

- Continued employment at vesting date and/or;
- Performance hurdles, such as performance against revenue targets.

The weighted average grant date fair value of RSUs issued during the year was determined by either the volume weighted average price (VWAP) of shares traded in the previous 20 trading days preceding the date of grant or closing price the day before issue.

	2024	2024	2023	2023
	Weighted average price ($)	**Number of RSUs**	**Weighted average price ($)**	**Number of RSUs**
Outstanding at 1 April		2,378,995		1,997,222
Allocated to employees during the year	2.80	2,278,734	4.45	1,168,329
Cancelled during the year	3.61	(348,428)	4.91	(271,968)
Vested during the year	4.69	(1,399,053)	5.55	(514,588)
Outstanding at 31 March		**2,910,248**		**2,378,995**

17. SHARE-BASED PAYMENTS (continued)

Employee incentive share options scheme

There were no options granted during the year, as this scheme has been replaced with employees now receiving RSUs.

Options are conditional on the completion of the necessary years of service (the vesting period) as appropriate to that tranche. The options are considered graded equity instruments that vest in tranches over two to five years from the grant date. No options can be exercised later than five years from the grant date. There were 16 holders of options at 31 March 2024 (2023: 21).

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of options outstanding and their related weighted average exercise prices are as follows:

	2024 Weighted average exercise price ($)	2024 Options	2023 Weighted average exercise price ($)	2023 Options
Outstanding at 1 April		94,974		148,309
Cancelled during the year	4.71	(8,518)	3.63	(45,497)
Expired during the year	2.84	(23,332)	-	-
Exercised during the year	-	-	2.68	(7,838)
Outstanding at 31 March		**63,124**		**94,974**

Options outstanding at 31 March fall within the following ranges:

Granted	Expiry date	Exercise price ($)	2024 Options	2023 Options
2018-19	2023-24	2.58-3.32	992	24,324
2019-20	2023-24	3.95-4.49	40,000	40,930
2020-21	2023-25	4.80	22,132	29,720
			63,124	**94,974**

18. RELATED PARTIES

The Group has related party relationships with its controlled entities and with key management personnel.

a. Subsidiaries

The consolidated financial statements include the financial statements of Serko Limited its and subsidiaries as listed in the following table:

Entity Name	Principal activity	% Equity interest 2024	% Equity interest 2023
Serko Australia Pty Limited	Sales and marketing	100%	100%
Serko Trustee Limited	Trustee	100%	100%
Serko India Private Limited	Non-trading	100%	100%
Serko Investments Limited	Non-trading	100%	100%
Foshan Sige Information Technology Limited	Research and development services	100%	100%
Serko Inc	Sales and marketing	100%	100%
InterplX Inc	Expense management	100%	100%

b. Transactions with related parties

There were no transactions with related parties for the year other than key management personnel remuneration.

c. Key management remuneration*

	2024 $ (000)	2023 $ (000)
Non-executive directors' remuneration	465	447
Salary and other short-term benefits	4,445	4,251
Share-based payments	2,031	3,377
Total compensation	**6,941**	**8,075**

* Key management personnel includes Serko's board of directors, the Chief Executive Officer and direct reports. Share-based payments represent the current years expense recognised in the income statement on unvested share-based payments granted that will vest in future years.

d. Terms and conditions of transactions with related parties

Other than amounts related to the remuneration of key management personnel, directors fees, and expense reimbursement, there are no balances or commitments outstanding with key management. Outstanding balances at year end are unsecured and settlement occurs in cash.

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2024	2023
	$ (000)	$ (000)
Net loss	(15,879)	(30,540)
Add non-cash items		
Amortisation	15,313	11,163
Depreciation	1,660	1,877
Deferred tax loss/(gain)	(770)	(275)
Loss on foreign exchange transactions	1,084	(1,681)
Share-based compensation	5,048	6,008
Loss on disposal of assets	59	-
	6,515	**(13,448)**
Add/(less) movements in working capital items		
(Increase)/decrease in receivables	(754)	(7,465)
Increase/(decrease) in income tax payable	572	(37)
Increase/(decrease) in trade and other payables	(438)	(1,376)
	(620)	**(8,878)**
Net cash flow used in operating activities	**5,895**	**(22,326)**

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash at bank and on hand, short-term deposits, derivatives, trade receivables, and trade payables.

The Group's capital consists of share capital and retained earnings. To maintain or adjust the capital structure, the Group may adjust amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or amend capital spending plans.

Financial assets:

Cash and cash equivalents, short term deposits, and trade receivables are initially measured at fair value plus directly attributable transaction costs and then subsequently measured at amortised cost less any impairment.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial liabilities:

Financial liabilities are classified as 'other financial liabilities'. Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

The main risks arising from the Group's financial instruments are currency, interest rate, credit and liquidity risk. The Group uses different methods to measure and manage the different types of risks to which it is exposed. These include monitoring levels of exposure to currency risk and assessments of market forecasts for foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

a) Risk exposures and responses

i) Interest rate risk

At balance date this year and prior year, the Group did not have any financial liabilities exposed to variable interest rate risk.

Excess funds over the forecasted requirements are invested in short-term deposits with a mixture of maturity dates. All short-term deposits have fixed interest rates which means the Group's exposure to movements in interest rates is limited.

ii) Liquidity risk

Liquidity risk represents the Group's ability to meet its financial obligations as they fall due. In terms of managing its liquidity risk, the Group holds sufficient cash reserves to meet its obligations arising from its financial liabilities. Surplus funds are invested in term-deposits with varying maturity dates based on forecasted cash flows to manage liquidity risks.

The following table sets out the contractual cash flows for all non-derivative financial liabilities settled on a gross cash flow basis:

	Weighted average effective interest rate %	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
		$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)
Group - 2024							
Trade and other payables	0%	6,688	6,688	-	-	-	-
Lease liability	10%	2,129	496	632	596	405	-
		8,817	**7,184**	**632**	**596**	**405**	**-**
Group - 2023							
Trade and other payables	0%	9,862	9,862	-	-	-	-
Lease liability	10%	3,423	616	648	1,142	1,017	-
		13,285	**10,478**	**648**	**1,142**	**1,017**	**-**

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Currency risk

The Group has exposure to currency risk as a result of transactions denominated in foreign currencies. The risk specifically relates to the variability of foreign exchange rates for the currencies the Group trades in and the impact this has on the Group's financial results. The majority of the Group's expenditure occurred in New Zealand dollars, however, sales to overseas customers are transacted in Euros, Australian dollars, New Zealand dollars, and US dollars.

Refer to notes 8 (trade and other receivables), 7 (cash at bank and short-term deposits) and 12 (trade and other payables) for further details on the Group's foreign currency denominated accounts receivable, cash and short-term deposit balances, and accounts payable.

The following table summarises the sensitivity to foreign currency exchange rate movements. A sensitivity of +/- 10% (2023: +/-20%) has been selected based on what management consider to be a reasonable movement in exchange rates.

The sensitivity table below is excluding the impact of foreign exchange contracts:

		Foreign currency risk			
		+10%		-10%	
	Carrying amount	**Post-tax profit**	**Equity**	**Post-tax profit**	**Equity**
	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)
2024					
Foreign exchange balances					
Cash at bank	9,133	830	830	(1,015)	(1,015)
Trade and other receivables	9,459	860	860	(1,051)	(1,051)
Trade and other payables	(2,475)	(225)	(225)	275	275
Net exposure	**16,117**	**1,465**	**1,465**	**(1,791)**	**(1,791)**
		+20%		**-20%**	
	Carrying amount	**Post-tax profit**	**Equity**	**Post-tax profit**	**Equity**
	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)
2023					
Foreign exchange balances					
Cash at bank	8,906	1,069	1,069	(1,603)	(1,603)
Trade and other receivables	9,282	1,114	1,114	(1,671)	(1,671)
Trade and other payables	(2,445)	(293)	(293)	440	440
Net exposure	**15,743**	**1,890**	**1,890**	**(2,834)**	**(2,834)**

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash at the bank, short-term deposits, derivative assets, trade receivables, and contract assets. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group monitors and manages the exposure to credit risk by ensuring customers have an appropriate credit history. Banking arrangements (including the investment of surplus funds) are monitored to ensure all banks have sufficient credit ratings, and exposure to any one banking partner is limited.

The Group's other largest concentration of credit risk is with one customer, with $7.2 million receivable at 31 March 2024 (2023: $6.4 million).

At reporting date, the Group's cash and short-term deposits were held in several banks with the following distribution: the largest bank concentration makes up 41%, the second largest concentration is 37%, with the remaining 22% held in other banks (2023: 34% each held with two banks and 32% in other banks). A total of 91% (2023: 92%) of cash and short-term deposits is held by New Zealand and Australian banks with a Standard & Poors credit rating of at least 'AA-'. The Group has no other significant concentrations of credit risk.

d) Fair value

The Board considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair value.

21. EVENTS AFTER BALANCE SHEET DATE

On 30 April 2024, Serko renewed the partnership with Booking.com for an additional five years.

Aside from the above, there were no other material events between the balance sheet date and the date these financial statements were authorised for issue.

22. CONTINGENT LIABILITIES

There were no contingent liabilities at balance date (2023: $nil).

Deloitte.

Independent Auditor's Report

To the Shareholders of Serko Limited

Opinion

We have audited the consolidated financial statements of Serko Limited and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 36 to 68, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2024, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor and the provision of assurance services, we have no relationship with or interests in the Company or any of its subsidiaries, except that partners and employees of our firm deal with the Company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be $1,500,000.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition The Group has reported total revenue of $68.8 million, as set out in note 4 'Revenue and other income'. The recognition of revenue is a key audit matter due to the significance of revenue to the financial statements and judgements involved in determining the timing of revenue recognition. Included within total revenue of $19.2 million of travel platform booking revenue derived from multiple customer contracts that contain different pricing schedules and varying revenue recognition triggers. Complexity exists because customer contracts can include transactional and usage fees (sometimes with minimum contracted commitments), establishment and installation fees, and chargeable work orders, which impact on the allocation of revenue across different goods and services.	We evaluated the systems, processes and controls in place over the major operating revenue streams. We engaged our Information Technology specialists to test the IT environment in which bookings occur and interfaces with the general ledger. We recalculated travel platform booking revenue recognised for a sample of material customers by reconciling transactions recorded in the relevant IT systems to the general ledger and validating pricing inputs to invoices and signed customer contracts. We considered the application of NZ IFRS 15: *Revenue from Contracts with Customers* for new and material contracts or significant variations to contracts entered into during the year. We tested samples of manual journal entries recorded outside of normal business processes by profiling for unusual revenue impacting journals.
Capitalisation of software development including impairment considerations The Group capitalises costs for internally developed work in progress and transfers those to software upon completion of the project. In the current year the Group capitalised costs of $11.2 million and transferred $10.7 million of work in progress to software assets, as set out in note 11 'Intangibles'. $4.9 million of development work in progress has been recognised as at balance date. **Capitalisation of software development** As a Software as a Service ("SaaS") provider, the Group incurs significant expenditure in developing and enhancing software products. Judgement is required to determine whether the recognition criteria under NZ IAS 38 Intangible Assets have been met in order to capitalise the applicable costs of development. This includes considering whether the costs are directly attributable to the development of an asset, and whether the Group can demonstrate that the asset is in the development stage. This includes demonstrating the technical feasibility of completing the intangible asset so that it will be available for use, the Group's intention to complete the asset, how the asset will generate future economic benefits, the viability of resources to complete the asset development and the ability of the Group to reliably measure the expenditure attributable to the intangible asset. **Impairment assessment** The Group must also assess each period whether there are any indications that the software development assets are impaired and must perform impairment testing on any capitalised development costs for which there are indicators of impairment, or which relate to software that is not yet available for use. The recoverable amount of the Group's cash-generating unit is sensitive to assumptions around the retention of and continued growth in revenue from key customers, as well as to the terminal growth rate and discount rate applied in the discounted cash flow model.	**Capitalisation of software development** We evaluated the nature of expenditure, the stage of product development, and how the Group distinguishes expenditure between research, development and maintenance costs. We assessed the Group's processes and controls for recording time spent on products and the allocation between research or software development to be capitalised under NZ IAS 38. We tested a sample of additions to evaluate whether the recognition criteria under NZ IAS 38 have been met. **Impairment assessment** We considered existing software for technical obsolescence, by ensuring appropriate revenues exist for those products and assessing whether features or product enhancements previously capitalised are still in use. We challenged the key assumptions within the cash flow forecasts by considering historical cashflows, our understanding of the business strategy and other relevant external information. We used our internal valuation specialists to assist in evaluating the assumptions used in the Group's discounted cash flow model, specifically the discount rate and terminal growth rates used, to support the carrying value of assets as at 31 March 2024. We performed sensitivity analysis over key drivers in the Group's impairment model, particularly assumptions around forecast travel bookings and volume growth for the Booking for Business platform.

Deloitte.

Key audit matter	How our audit addressed the key audit matter
We have included capitalisation and impairment considerations of software development as a key audit matter due to the level of judgement required.	

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report and the ESG Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Paul Seller, Partner
for Deloitte Limited
Auckland, New Zealand
28 May 2024

Corporate Governance Statement

For the year ended 31 March 2024

This corporate governance statement has been prepared in accordance with the NZX Listing Rules and was approved by the Serko Board on 28 May 2024.

Introduction

The Board and management of Serko Limited (Company or Serko) are committed to ensuring that Serko maintains best practice corporate governance and adheres to high ethical standards.

The Board reviews Serko's governance policies and practices against the NZX Listing Rules and a number of corporate governance recommendations, including the Corporate Governance Code dated 1 April 2023 (NZX Code) and the Fourth Edition of the Australian Securities Exchange (ASX) Corporate Governance Council Principles and Recommendations.

The Board considers that Serko's corporate governance structures, practices and processes have followed all of the recommendations in the NZX Code during the financial year ended 31 March 2024 and as at the date of this report. For the purposes of Recommendation 3.4, the Board has determined that the whole Board will carry out the functions of a nomination committee owing to the size of the Board.

Below, we have reported against the NZX Code dated 1 April 2023. An index setting out where each NZX Code Principle and Recommendation is addressed is set out on page 102.

Stock Exchange Listing

Serko is listed on the New Zealand Stock Exchange (NZX Main Board) and on the ASX as an ASX Foreign Exempt Listing. As an ASX Foreign Exempt Listing, Serko needs to comply with the NZX Listing Rules but does not need to comply with the vast majority of the ASX Listing Rule obligations (although some do still apply).

Serko is incorporated in New Zealand.

Ethical Standards

The Board recognises that high ethical standards and behaviours are central to good corporate governance.

Code of Ethics

Serko's Code of Ethics outlines how Serko people, including its directors, employees, contractors and advisers, are expected to conduct their professional lives.

The Code of Ethics is not intended to cover an exhaustive list of expectations on Serko people but instead is designed to help inform their actions, behaviours and decision-making processes that are consistent with Serko's Guiding Principles, strategic objectives and legal and policy obligations. It covers a range of matters, such as:

1. setting out Serko's Guiding Principles, the details of which are contained in our ESG Report, and requires that Serko people ensure their behaviour, decisions and actions are guided by these principles;
2. specific requirements such as:
   a. ensuring conflicts of interest are appropriately managed and do not interfere with Serko's best interests;
   b. not accepting gifts or personal benefits that may compromise or influence business decisions;
   c. using Serko property and information for legitimate and authorised purposes;
   d. maintaining security and confidentiality of information entrusted to employees in their roles; and
   e. requiring Serko people to be familiar with, and comply with, all relevant laws and policies; and
3. highlighting mechanisms to report any potential or actual breach of the Code of Ethics, including via its Whistleblowing Policy.

The Code of Ethics is available to all Serko people via the Company's intranet and is provided to all new employees and directors and incorporated in onboarding training as part of an induction process. Regular training on the Code of Ethics for existing Serko people is incorporated into our ongoing compliance training schedule.

Whistleblowing Policy

A stand-alone Whistleblowing Policy, which is overseen and monitored by the Board, exists to support the application of the Code of Ethics and defines the process for raising serious wrongdoings within Serko. It forms part of a broader 'See Something, Say Something' approach Serko has recently rolled out, designed to provide different mechanisms and channels to raise concerns, both formal and informal.

Under the Whistleblowing Policy, employees may choose to raise concerns with managers or members of the Executive Team but they can also raise concerns and report serious wrongdoings via an independent external Whistleblower hotline. A designated email address, accessible only by non-executive directors, is also available for staff to confidentially raise concerns they may have.

Other Ethical Standards and Policies

In addition, Serko also has the following ethical standards and policies in place:

1. Anti-Bribery and Corruption Policy: Serko takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships. This policy sets out our responsibilities, and the responsibilities of those working for and on our behalf, in observing and upholding our requirements on bribery and corruption, the giving or acceptance of gifts and dealing with government officials.

2. Modern Slavery Policy and Statement: Serko published our second annual Modern Slavery Statement, setting out the steps taken and the planned future actions to identify and address the risks of slavery and human trafficking across our business operations and supply chains. The risk of modern slavery to Serko is considered low because of our direct operations, value chain, the type of business we operate and the regions we operate in.

3. Business Partner Code of Conduct: We have implemented a Business Partner Code of Conduct, which is designed to communicate Serko's expectations in relation to ethical and other behaviours to our partners. We have also undertaken significant work in the last financial year to enhance our partner onboarding processes by implementing due diligence screening on counterparties.

For more information about the work that is being completed in these areas, including Serko's Business Partner Code of Conduct, supply chain initiatives and partner screening, please refer to the 'Social' section of our ESG Report, available at www.serko.com/investors.

Securities Trading Policy

We are committed to complying with legal and statutory requirements to ensure that directors and employees do not trade Serko securities while in possession of inside information.

Serko's Securities Trading Policy applies to all directors, employees and contractors of Serko and its subsidiaries. The policy seeks to ensure that those subject to the policy do not trade in Serko securities if they hold undisclosed price-sensitive information. The policy sets out additional rules, including the requirement to seek Company consent before trading and prescribes certain black-out periods when trading is prohibited.

Compliance with the Securities Trading Policy is monitored through a consent process and via notification by Serko's share registrar when any Director or Senior Manager trades in Serko securities. All trading by Directors and Senior Managers (as defined by the Financial Markets Conduct Act 2013) is required to be reported to NZX (and ASX) and recorded in Serko's securities trading registers. Regular securities trading training is provided to all Serko people, along with targeted internal communications.

The Board

The Board is elected by shareholders to govern Serko in the interests of its shareholders and to protect and enhance the value of Serko's assets. The Board is responsible for corporate governance and Serko's overall strategic direction and is the overall and final body responsible for all decision-making within Serko. The Board Charter describes the Board's roles and responsibilities and regulates internal Board procedure.

Our Board – Diversity, Size and Composition

The directors of Serko's Board, as at the date of this Annual Report, are set out on pages 14 – 15.

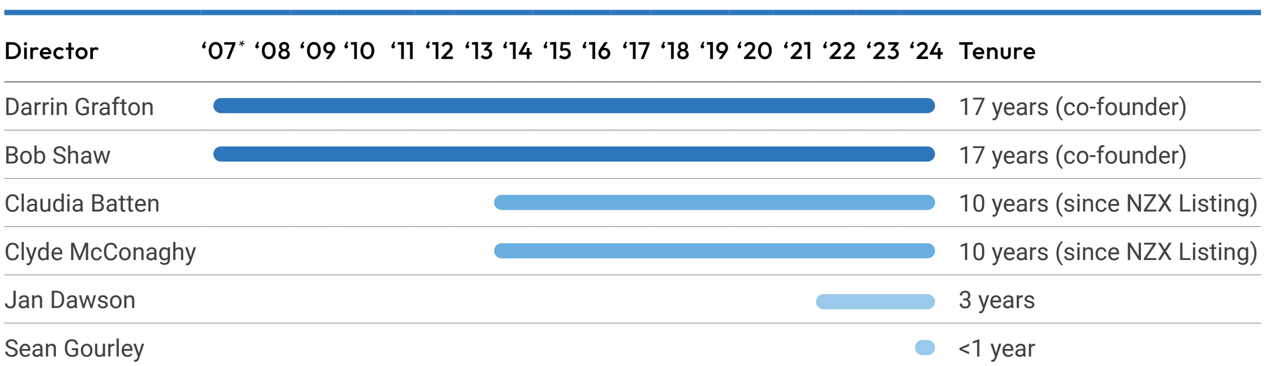
Serko signalled to the market in 2023 that it intended to appoint a fourth, Independent Non-executive Director. In February 2024, Dr Sean Gourley was accordingly appointed as an Independent Non-executive Director. Sean is a proven leader in the AI and data commercialisation space over the past decade, having established and grown two ground-breaking technology businesses in the US. This, together with his commercial US experience, makes him a key asset to Serko as we scale internationally and as data and AI becomes even more critically important to our technology and products. Sean will stand for election at Serko's 2024 Annual Shareholder Meeting.

A brief profile, including the experience of each Director, can be found on page 14 – 15 of this Annual Report.

Serko is proud to have a Māori co-founder who sits on the Board as an Executive Director, along with two female directors including the Chair.

The Board is responsible for making recommendations relating to the Board's size and composition, in accordance with the limitations prescribed by the NZX Listing Rules and the provisions of Serko's Constitution and Board Charter.

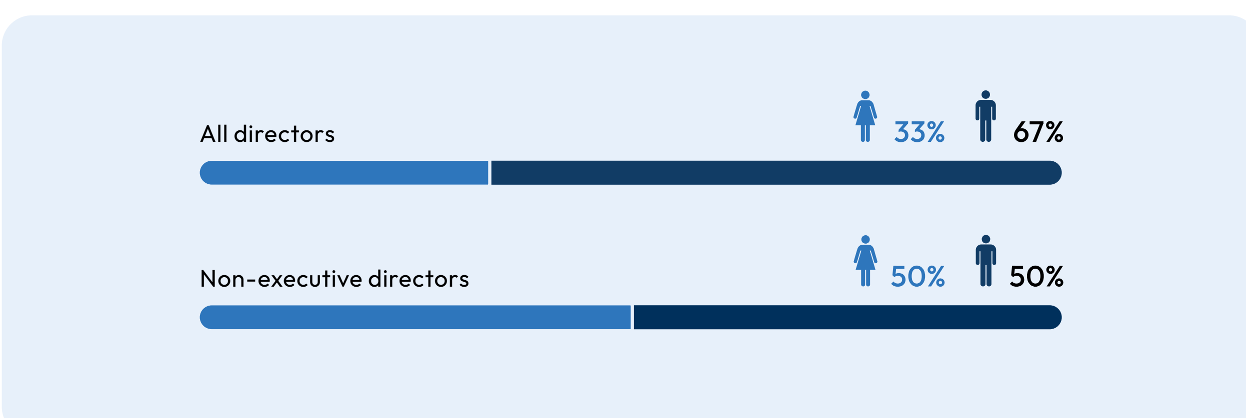
Tenure



*Serko was founded in 2007.

As at 31 March 2024, with the introduction of Sean Gourley in February 2024, the average tenure of non-executive directors is almost six years and the average tenure of all directors is almost 10 years.

Board Gender Mix



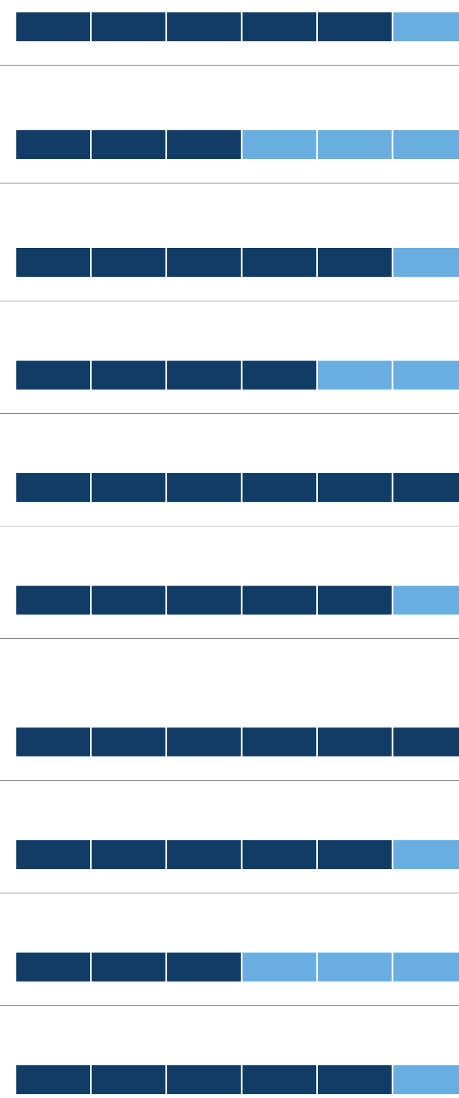
Board Skill Matrix

The Board regularly reviews its skills matrix as part of its succession planning and considers the appropriate mix of skills required to govern Serko as its strategy evolves and Serko expands internationally.

The Board assessed the skills of its directors and reviewed the Board's skills matrix. A summary of this matrix is set out below.

Capability

Skill category	Director capability
Travel industry knowledge Depth of knowledge of the global travel industry and trends	
Technology, data trends and security Expertise in software and platform development, ways of working, system architecture, emerging technologies, data and security practices	
High growth companies Experience working with high growth companies, including expanding in to new markets and scaling products, services and processes for future growth	
Marketing, sales and channel management Experience in customer insights, sales, marketing and business development in Serko's core markets	
Strategy Expertise in strategy and corporate development, including through mergers and acquisitions and strategic partnerships	
Financial acumen Qualifications or experience in corporate finance, accounting, capital markets, credit markets and banking	
Governance, sustainability and risk Depth of experience in governance (including on public company boards), investor engagement, sustainability and risk, including oversight of climate risks/opportunities	
Client markets (ANZ) Depth of experience operating and governing in Australian and New Zealand markets	
Client markets (US and Europe) Depth of experience operating and governing in other client markets, including Europe and US	
Innovation, entrepreneurship and partnership Depth of expertise in innovation and entrepreneurship, including ability to align vision, mission and goals	



● High to Very High capability ● Low to Medium capability

Claudia Batten, BCom, LLB (hons)

Key Capabilities: Innovation, Governance, Technology, International Markets

Jan Dawson, BCom

Key Capabilities: Financial, Risk, Governance, Strategy

Sean Gourley, PhD (Physics), MPhys

Key Capabilities: Technology, Data, International Markets, Innovation

Darrin Grafton

Key Capabilities: Entrepreneurship, Travel Industry Knowledge, Strategy, ANZ markets

Clyde McConaghy, BBus, MBA

Key Capabilities: ANZ Markets, Financial, Marketing and Sales Channel Management, Governance

Bob Shaw

Key Capabilities: Innovation, Technology, ANZ Markets, Travel Industry Knowledge

Board Appointments, Training and Evaluation

Serko's Board has determined that the whole Board will carry out the functions of a Nominations Committee owing to the size of the Board. When considering candidates to act as a Director, the Board will consider factors it deems appropriate, including the diversity of background, experience and qualifications of the Director. Serko undertakes appropriate 'fit and proper' checks before appointing a Director or putting forward any candidate for election as a Director.

The procedure for the appointment and removal of directors is ultimately governed by Serko's Constitution and the NZX Listing Rules. All directors are elected by Serko's shareholders (other than directors appointed by the Board, who must retire and stand for election at the next meeting of shareholders). Directors are subject to the rotation requirements set out in the NZX Listing Rules.

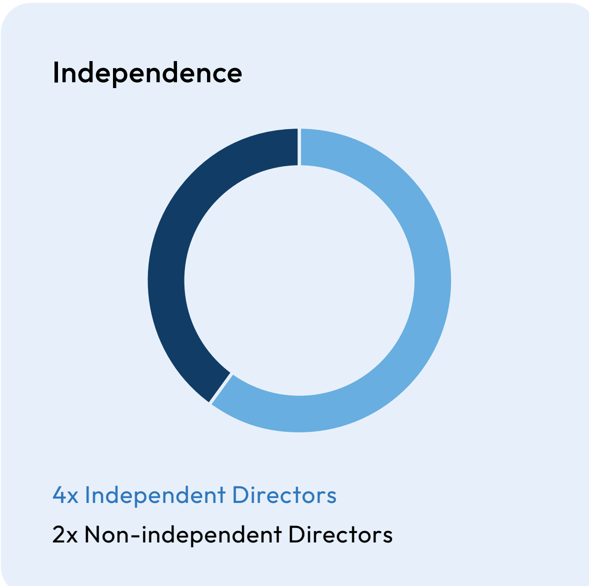
At the time of appointment, each new Director signs a comprehensive letter of appointment, setting out the terms of their appointment, including duties and expectations in the role. Each Director receives the Code of Ethics, and other related governance documents, policies and procedures, and is introduced to the business through a tailored induction programme. All directors are regularly updated on relevant industry and Company issues and are expected to undertake training to remain current on how best to perform their duties as directors of Serko.

All directors have access to senior management to discuss issues or obtain information on specific areas or items to be considered at Board meetings and each Director actively utilises this access to support the Company and its executives.

The Board and Board Committees and each Director have the right to seek independent professional advice, at Serko's expense, to assist them in carrying out their responsibilities.

Evaluation of the performance of the Board and its Committees is regularly undertaken. A performance review of the Board was carried out by the Chair of the Board during FY24, with Committee reviews undertaken in April 2024. The next Board and Committee review is scheduled for the end of FY25.

Independence of Directors



Four of Serko's six directors (Claudia Batten (Chair), Jan Dawson, Clyde McConaghy and Sean Gourley) are considered by the Board to be independent directors for the purposes of the NZX Listing Rules and against the criteria set out in the NZX Code and in the Board Charter. This determination has been made on the basis that these directors are non-executive directors who are not substantial shareholders and who are free of any interest, business or other relationship that would materially interfere with or could reasonably be seen to materially interfere with, the independent exercise of their judgement.

In making this determination, the Board has considered the relevance of Claudia's and Clyde's tenure on their ability to bring an independent view to decisions in relation to Serko. The Board considers that both directors continue to bring independence of judgement when carrying out their Director duties. Of relevance to this determination is the fact that Claudia was not appointed as Chair of the Board until 2020 and that the roles of Committee Chair have been rotated during their tenure.

The Board will review any determination it makes on a Director's independence on becoming aware of any new information that may affect that Director's independence. For this purpose, the directors are required to ensure they immediately advise Serko of any new or changed relationship that may affect their independence or result in a conflict of interest.

The Board considers the roles of the Chair and the CEO should remain separate. The current Chair has been elected by the Board from the independent directors, in accordance with the terms of the Board Charter. The Chair's role is to manage and provide leadership to the Board and to facilitate the Board's interface with the CEO.

Conflicts of Interest

The Board is conscious of its obligations to ensure that directors avoid conflicts of interest (both real and perceived) between their duty to Serko and their own interests. The Board Charter outlines the Board's policy on conflicts of interest. Serko maintains an Interests Register in which relevant disclosures of interest and securities dealings by the directors are recorded. In addition, the Board has developed a Charter to govern the establishment and functioning of an Independent Committee to be formed, when required, to respond to activity determined to cause some Directors to be conflicted. The Independent Committee is not a standing committee of the Board.

Company Secretary

The Company Secretary is responsible for supporting the effectiveness of the Board by ensuring that its policies and procedures are followed and for coordinating the completion and dispatch of the Board agendas and papers. The Company Secretary is directly accountable to the Board, via the Chair, on all governance matters.

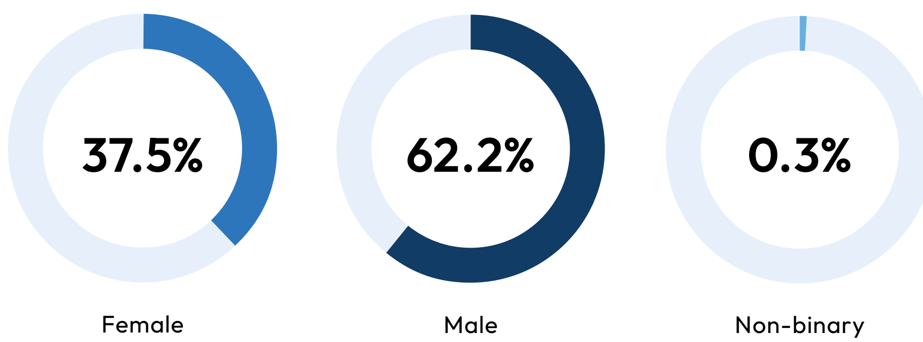
Inclusion and Diversity

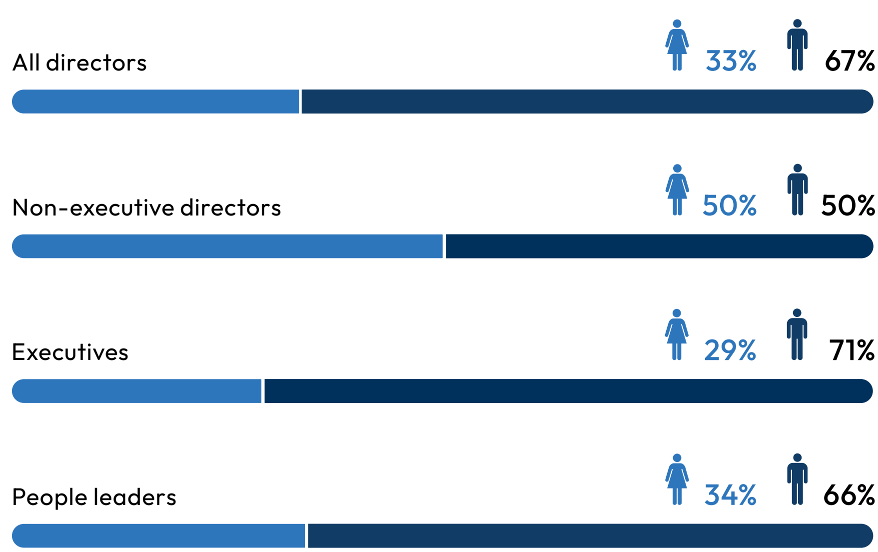
Serko has a Inclusion and Diversity Policy that reflects its commitment to achieving diversity in skills, attributes and experience of our directors, executives and employees across a broad range of criteria (including, but not limited to, culture, gender and age). The Board as a whole is responsible for overseeing and implementing the Inclusion and Diversity Policy but has delegated to the People, Remuneration and Culture Committee the responsibility to develop and to recommend measurable objectives to the Board that are designed to adhere to the policy.

Serko sets measurable objectives that reflect our commitment to diversity and reports progress against these objectives regularly to the Board. In 2021, we set a gender diversity target of 40:40:20, with the aim for this to be achieved by the end of FY24 across the Board, overall employees, non-executive directors, executive and people leaders. Achievement of the target was defined as having 40% female representation.

As at 31 March 2024, the gender split across our workforce was as follows:

All workforce





The respective numbers and proportions of men and women at various levels within the Serko workforce as at 31 March 2023 and 31 March 2024 are set out in the table below:

Female		**2024**		**2023**
	no.	**%**	**no.**	**%**
All directors	2	33.3%	2	40.0%
Non-executive directors	2	50.0%	2	66.7%
Executives [1]	2	25.0%	2	20.0%
Senior leaders [2]	6	31.8%	5	29.4%
All workforce	128	37.5%	130	38.3%

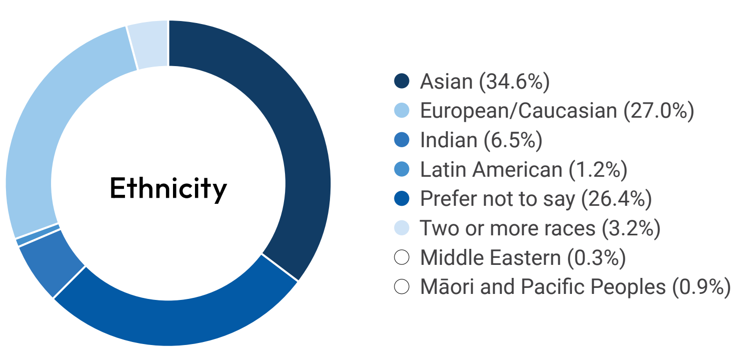
Male		**2024**		**2023**
	no.	**%**	**no.**	**%**
All directors	4	66.7%	3	60.0%
Non-executive directors	2	50.0%	1	33.3%
Executives [1]	6	75.0%	8	80.0%
Senior leaders [2]	13	68.2%	12	70.6%
All workforce	212	62.2%	207	61.1%

1 Executives are considered to be the Chief Executive Officer and his direct reports (the Executive Team). Note that Chief Executive Officer, Darrin Grafton, and Chief of Strategy, Bob Shaw, are included in both the number of directors and officers reported.

2 Direct reports to the Executive Team in senior positions.

The Board has recently reaffirmed the 40:40:20 gender diversity target remains our objective and we continue to strive towards this goal and are making progress in meaningful ways. The Board's evaluation of Serko's performance against this measurable objective, including relevant FY24 achievements, is set out in our ESG Report.

In addition, in April 2024, the Board set an additional target to increase Māori and Pacific Peoples representation at Serko to 2%.



Board Committees

The Board uses committees to deal with issues requiring detailed consideration, thereby enhancing the efficiency and effectiveness of the Board. However, the Board retains ultimate responsibility for the functions of its committees and determines each committee's roles and responsibilities.

The current standing committees of the Board are:

1. Audit, Risk and Sustainability Committee; and
2. People, Remuneration and Culture Committee.

Details of the roles and responsibilities of these committees are described in their respective charters and are summarised below.

The role of a Nominations Committee is currently, and was throughout FY24, carried out by the full Board owing to its small size.

Audit, Risk and Sustainability Committee

The primary function of the Audit, Risk and Sustainability Committee is to assist the Board in fulfilling its oversight responsibilities relating to Serko's risk management and internal control framework, the integrity of its financial reporting, its auditing processes and sustainability matters (including management and monitoring of climate-related risks and opportunities). In carrying out its risk management functions, the Committee is specifically responsible for oversight of information security risk practices. The Committee receives regular updates from Serko's Chief Information Security Officer on information security threats, risks and mitigation plans.

Under the Audit, Risk and Sustainability Committee Charter, the Committee must be comprised of a minimum of three members who are each Non-executive Directors, the majority of whom are also Independent Directors and at least one Director with an accounting or financial background. Further, the Chair of the Committee is required to be independent and not also be the Chair of the Board. The Chair of the Committee is not permitted to have been an audit partner or senior manager at Serko's external audit firm within the past three years. The current members of the Committee are Jan Dawson (Chair), Clyde McConaghy and Claudia Batten, all of whom are Independent, Non-executive Directors. Their qualifications and experience are set out on pages 14 – 15 of this Annual Report. Jan Dawson is a financial expert.

People, Remuneration and Culture Committee

The primary function of the People, Remuneration and Culture Committee is to oversee remuneration and people-related policies and practices at Serko, oversee executive succession planning and make recommendations to the Board on Serko's culture and employee wellbeing. The Committee is also tasked with annually monitoring and evaluating Serko's performance with respect to its Inclusion and Diversity Policy.

Under the People, Remuneration and Culture Committee Charter, the Committee must be comprised of a minimum of three members, all of whom are independent directors. The Chair of the Committee is required to be independent and may not also be the Chair of the Board. The current members of the Committee are Clyde McConaghy (Chair), Jan Dawson and Claudia Batten, all of whom are Independent, Non-executive Directors. Their qualifications and experience are set out on pages 14 – 15 of this Annual Report.

Ad hoc committees

From time to time, the Board may establish an *ad hoc* committee to deal with a particular issue that requires specialised knowledge and experience.

One such committee is the Technology Advisory Committee and currently comprises one Non-executive Director, two independent expert advisers and executive representatives from product and technology. This Committee has assisted the Board in its oversight of Serko's technology strategy and the use of technology in executing Serko's overall business strategy.

Board & Committee Attendance

All appointed directors attended the 2023 Annual Shareholders Meeting. Details regarding the directors' attendance of the 2024 governance meetings is set out in the table below.

Directors also met for several additional special meetings to undertake specific planning for the business outside of scheduled Board and Committee meetings.

Employees only attend Committee meetings upon invitation.

Director attendance	Board	Audit, Risk and Sustainability Committee	People, Remuneration and Culture Committee
Claudia Batten	12/12	4/4	4/4
Jan Dawson	12/12	4/4	4/4
Sean Gourley*	2/2*	**	**
Darrin Grafton	12/12	**	**
Clyde McConaghy	12/12	4/4	4/4
Bob Shaw	12/12	**	**

* Appointed on 1 February 2024.

** Indicates the Director is not a member of the Committee (although they may have been in attendance for these meetings).

Reporting and Disclosure

Serko is committed to the promotion of investor confidence by ensuring that the trading of Serko shares takes place in an efficient, competitive and with an informed market. The Board is tasked with ensuring the integrity of financial and non-financial reporting to shareholders. During the financial year, we have focused on readying Serko for climate disclosure reporting and enhancing other non-financial reporting. A comprehensive ESG programme is being implemented to support these initiatives, which is overseen quarterly by the Audit, Risk and Sustainability Committee.

Market Disclosure Policy

Our Market Disclosure Policy guides Serko's compliance with the continuous disclosure requirements of the NZX Main Board. In addition, directors and management consider at each Board meeting whether there are any issues that have arisen that require disclosure to the market.

Serko has established a Disclosure Committee whose role it is to determine whether information is 'material information' and whether the material information is required to be released to the NZX and ASX. The Disclosure Committee comprises the Board Chair, the Audit, Risk and Sustainability Committee Chair, the Chief Executive Officer, the Chief Financial Officer and the General Counsel. The Disclosure Committee is governed by the Market Disclosure Policy and is responsible for implementing that policy.

Charters and Policies

Key corporate governance documents referred to in this Corporate Governance Statement, including policies and charters, are available on Serko's investor centre: www.serko.com/investors.

Financial Reporting

The Board is responsible for ensuring the integrity of its financial reporting. The Audit, Risk and Sustainability Committee closely monitors financial reporting risks in relation to the preparation of the financial statements. The Audit, Risk and Sustainability Committee, with the assistance of management, also works to ensure that the financial statements are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

As part of this process, the Chief Executive Officer and the Chief Financial Officer are required to state in writing to the Board that, to the best of their knowledge, Serko's financial reports:

- present a true and fair view of Serko's financial condition and operational results;
- are prepared in accordance with the relevant accounting standards; and
- are founded on a sound system of risk management and internal control that is operating effectively.

Serko has published its full and half-year financial statements, which were prepared in accordance with relevant financial standards and the abovementioned process. The FY24 full-year financial statements are set out from page 36 of this Annual Report.

Non-financial Reporting

Serko's Annual Report and ESG Report provide information about how Serko is performing on various non-financial matters, including environmental, social and governance (ESG) matters.

In its ESG Report, Serko sets out its approach and commitment to sustainability, aligning its ESG priority areas with the United Nations (UN) Sustainable Development Goals (SDGs) — a set of global sustainability initiatives set by the UN. A copy of the ESG Report is available on our website: www.serko.com/investors.

Climate Reporting

Serko is a climate-reporting entity under the Financial Markets Conduct Act 2013 and accordingly, has published its first mandatory climate-related disclosures. This covers progress during the FY24 financial period and in compliance with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board (Climate Standards). We have also published our FY24 GHG (greenhouse gas) emissions inventory, which has been subject to a limited assurance engagement by Deloitte Limited. These disclosures including the GHG emissions inventory, are set out in our ESG Report which is available on our website: www.serko.com/investors.

Remuneration

Serko is committed to remunerating its non-executive directors, executive directors and employees fairly, transparently and reasonably. Our remuneration practices are detailed in the Remuneration Report set out from page 105 of this Annual Report.

Risk Management

Serko is committed to proactively and consistently managing risk to:

- enhance and protect Serko's value by delivering on our commitments and meeting stakeholders' expectations;
- optimise the return to, and protect the interests of, stakeholders;
- allow Serko to pursue opportunities in an informed way and aligned with the Board's risk appetite; and
- ensure a safe and secure environment for our people, partners and customers.

Risk Management Framework

FY24 saw a thorough review of Serko's risk management programme, which is operated according to the revised Managing Risk Policy and Risk Management Framework (Framework). The Board approved the revised policy and Framework in November 2023. This achievement pulls together the extensive work and progress made to formalise Serko's approach to risk and the risk appetite in which Serko operates.

The Framework articulates Serko's process to identify, assess, control, monitor and report on risks that may affect the ability to achieve objectives.

The Framework covers financial and non-financial risks, as well as those related to internal compliance systems.

Serko's Board has set the risk appetite for the business using our risk categories as defined in our Framework.

The Board reviews and confirms the risk appetite at least annually. Serko's management is responsible for developing mitigation strategies to manage risks within the Board's defined risk appetite and tolerance levels.

An extensive risk register is maintained by management with ongoing monitoring and review of all risks identified. The risk categories included in our risk register are business operations, strategic, climate related, modern slavery, bribery and corruption, cyber and security, privacy and data and third-party risk.

If a business risk becomes a Top Risk, additional reporting and oversight is required. A Top Risk is a business risk that has been identified and assessed as having a high residual rating. The Audit, Risk and Sustainability Committee can use their discretion and add a lower rated risk to the Top Risk group should they believe visibility at committee level is required.

In its oversight function, the Audit, Risk and Sustainability Committee receives risk reports at each meeting, covering Serko's Top Risks, monitoring results and trends, mitigation strategies, action plans and updates on the ongoing programme of work. This Committee reports back to the Board following each meeting, with the Board also having access to the Committee minutes.

Summary of Top Risks

The following table summarises and consolidates Serko's Top Risks, grouped by risk category.

Risk category	Description	Principal mitigants
Competition & Customer	Serko continues to face exposure to a variety of new and existing competitors in new and established markets. New technologies could alter the existing value chain for travel and expense, disrupting existing flows, processes, players and/or underlying technology that Serko's business is based on. Serko relies on the strength of its relationship with Booking.com for its unmanaged travel offering and its reseller relationships for its core online booking tool business.	• Use customer feedback in product design. • Continuous improvement of product health through monitoring. • Pursue global reseller relationships in new geographies to reduce concentration risk, with continued investment in direct go-to-market sales. • Developing Serko's channel partner programme to support sales and operational enablement for strong and healthy reseller partnerships. • Processes in place for monitoring and responding to competitive threats. • Continued development of strategic partnerships.
External Events	As a travel technology provider, Serko faces significant exposure to changes in demand for business travel services due to a variety of global events that could impact the travel industry. Significantly weakened global conditions, as a result of the pandemic, geo-political instabilities or other events, could harm our business and financial condition. Environmental disasters or catastrophic events and the impact of such events on the travel industry or on the global economy could have negative effects on our business, partners, suppliers and customers. Those events could include impacts of climate change, including the increased likelihood of extreme weather events and longer-term impacts like the predicted rise in global sea levels.	• Alternative operating models in place targeting different traveller types, across multiple markets. • Monitoring key trends in global and regional travel. • Expanding our offering to different content channels and alternative, more sustainable modes offerings, including transportation. • Maintaining sufficient capital reserves. • Detailed climate-related risk and opportunity analysis completed. • Carbon emissions inventory to inform opportunities to reduce Serko's carbon footprint over time.
Privacy and Data Protection	Serko's business involves the collection, use and processing of personal data. The global data privacy landscape is complex and evolving. As Serko's business expands with new products and into additional markets, Serko will become subject to additional data privacy regulations. The failure to protect personal data and comply with data privacy regulations could result in financial penalties, operational inefficiencies, intervention by regulators and negative impacts to reputation.	• Establishment of Data Governance Group to provide oversight and guidance on specified data-related matters. • Further embedding a privacy culture within the business and roll out of additional training. • Implementing our FY24 Privacy Programme led by a dedicated Privacy Officer • Privacy obligations assessments for new markets. • Data security initiatives and protections as referred to above.
People	Serko's business strategy requires us to attract and retain highly skilled talent in a competitive labour market globally.	• Focus on building strong sustainable pipelines of internal and external talent for critical or hard-to-fill roles. • Identification of critical talent, execution of stay interviews and retention planning. • Increased focus on career development pathways and learning and development opportunities for our teams. • Review of our total reward structure to ensure we remain competitive with the technology market. • Succession planning for Senior Leadership roles and critical or hard-to-fill roles.

Summary of Top Risks (continued)

The following table summarises and consolidates Serko's Top Risks, grouped by risk category.

Risk category	Description	Principal mitigants
Technology	Serko faces exposure to hacking, cyber-attack or similar due to its online software hosting, Cloud/Software-as-a-Service (SaaS) revenue model and role as a data processor. Serko may also suffer loss of service as a result of failure or unplanned outage of IT hosting providers due to its online software hosting and Cloud/SaaS services revenue model.	• Business resilience planning and incident management. • Platform modernisation and openisation programme. • Onboarding and ongoing mandatory training all Serko employees and contractors. • Governance by the Audit, Risk and Sustainability Committee. • Technical oversight by the technology advisory committee. • Consistent security practices and procedures across Serko. • Highly educated technology and security teams. • Platform and vulnerability management processes. • Independent and regular audits, assurance and testing (eg, annual Payment Card Industry (PCI) audit).

Additional Business Risks

The following two business risks do not meet the Top Risk status (following assessment) but have been included here as they are seen as priorities for the business.

Health & Safety

Serko has historically had a low risk of serious Health and Safety (H&S) workplace incidents due to the nature of its business as a technology company, however, the consequences of incidents arising can be severe. Principal mitigants include:

- Dedicated programmes to support employee wellbeing, including flexible work arrangements and wellness.
- Regular pulse and listening surveys.
- Management awareness and committee reporting ensuring all practical steps to minimise risk are taken.
- Pandemic policies that are regularly reviewed to adapt to the changing health and safety risks presented by pandemics.

Climate-related risks

Serko's identified climate-related risks and opportunities are found in the ESG Report. The risks identified include inability to meet customer demand, price increases and supply chain disruption.

Further detail regarding how Serko approaches and manages climate-related risks and opportunities is set out in our Mandatory Climate Disclosures, which are available in our ESG Report.

Auditors

External Auditor Independence

Serko has an External Audit Independence Policy that requires, and sets out the criteria for, the external auditor to be independent. The policy recognises the importance of the Board's role in facilitating frank dialogue among the Audit, Risk and Sustainability Committee, the auditor and management.

The policy prescribes the services that can and cannot be undertaken by the external auditor, which are designed to ensure that services provided by Serko's external auditor are not perceived as conflicting with its independent role.

The policy requires that the key audit partner is changed at least every five years so that no such persons shall be engaged in an audit of Serko for more than five consecutive years. In addition, there must be three years between the rotation of an audit partner and that partner's next engagement by Serko. In accordance with this policy, and the NZX Listing Rules, the key audit partner rotated at the end of the FY22 audit. Serko last changed its audit firm in 2017.

The Audit, Risk and Sustainability Committee Charter requires the Committee to facilitate the continuing independence of the external auditor by assessing the external auditor's independence and qualifications and overseeing and monitoring its performance. This involves monitoring all aspects of the external audit, including the appointment of the auditor, the nature and scope of its audit and reviewing the auditor's service delivery plan. In carrying out these responsibilities the Audit, Risk and Sustainability Committee meets regularly with the auditor without executive directors or management present, and the key audit partner has direct contact with the Chair of the Audit, Risk and Sustainability Committee.

The auditor is restricted in the non-audit work it may perform, as detailed in the policy. For further details on the audit fees paid and work undertaken during the period, refer to our FY24 financial statements contained in this Annual Report. The Audit, Risk and Sustainability Committee regularly monitors the ratio of fees for audit to non-audit work.

The lead audit partner will be present at Serko's Annual Shareholders Meeting to answer questions from shareholders in relation to the audit.

Internal Audit

Serko does not have a dedicated internal audit function. Instead, internal controls are managed on a day-to-day basis predominantly by the finance, legal, compliance and security teams. Compliance with certain internal controls is reviewed annually by Serko's external auditor.

The Board, finance, legal, compliance and security teams regularly consider how Serko can improve its internal assurance and risk management practices during Serko's annual governance review, quarterly risk reviews, preparation of interim and full-year financial statements and following Serko's annual financial audit. The Audit, Risk and Sustainability Committee oversees these reviews and the controls Serko has in place to manage risk.

Shareholder Rights and Relations

Information for Shareholders

Serko is committed to maintaining a full and open dialogue with our shareholders (and other interested stakeholders) and we have in place an investor relations programme to facilitate effective two-way communications with shareholders. The aim of Serko's investor relations and communications programme is to provide shareholders with information about Serko and to enable them to actively engage with Serko and exercise their rights as shareholders in an informed manner. We facilitate communications with shareholders through written and electronic communications and by facilitating shareholder access to directors, management and Serko's auditor.

We provide shareholders with communications through the following channels:

- the investor section of Serko's website;
- full-year reporting and half-year results;
- the Annual Shareholders' Meeting;
- regular disclosures on Serko's performance and news via stock exchange online disclosure platforms; and
- disclosure of presentations provided to analysts and investors during regular briefings.

Serko's website is an important part of Serko's shareholder communications strategy. Included on the website is a range of information relevant to shareholders and others concerning the operation of Serko. Serko has published on its website this Corporate Governance Statement, which outlines our governance practices, as well as our ESG Report, predominately focused on climate-related disclosures and our social responsibility practices.

Shareholders may, at any time, direct questions or requests for information to directors or management through Serko's website or by sending emails to investor.relations@serko.com.

We provide shareholders with the option to receive communications from, and send communications to, Serko and its share registrar electronically. The majority of Serko shareholders have elected to receive electronic communications.

Shareholder Protections and Voting Rights

All ordinary shares on issue have the same voting rights, each conferring on the registered holder an equal right to vote on any resolution at a meeting of shareholders.

In accordance with the Companies Act 1993, Serko's Constitution and the NZX Listing Rules, Serko refers major decisions that may change the nature of Serko to shareholders for approval.

Serko conducts voting at its shareholder meetings by way of polls, reflecting the principle of one share, one vote. Further information on shareholder voting rights is set out in Serko's Constitution.

Serko did not raise any capital during FY24.

Annual Shareholders' Meeting

Serko's 2024 Annual Shareholders' Meeting will be conducted as a hybrid meeting, enabling shareholders to attend in person or participate in the meeting virtually. A hybrid meeting is considered to provide the broadest opportunity for shareholder engagement with Serko.

Shareholders will be given an opportunity at the meeting to ask questions and comment on relevant matters. In addition, Serko's lead audit partner from Deloitte will attend the meeting and will be available to answer any questions about the Audit Report.

Director Disclosures

Disclosure of directors' interests:

Section 140(1) of the Companies Act 1993 requires a Director of a company to disclose certain interests. Under subsection (2) a Director can make disclosure by giving a general notice in writing to Serko of a position held by a Director in another named company or entity. The particulars included in Serko's Interests Register at 31 March 2024 are set out in the table below:

Director	Entity	Relationship
Claudia Batten	Serko Inc [1] Vista Group Limited Air New Zealand Limited Wonderful Investments Limited	Director Director Director Appointed Director
Jan Dawson	Ports of Auckland Limited Jan Dawson Limited	Director/Chair Director
Sean Gourley	Nil	Nil
Darrin Grafton	Financial Equities Limited Grafton-Howe No.2 Trust InterplX Inc [1] Serko Australia Pty Limited [1] Serko Inc [1] Serko India Private Limited [1] Serko Investments Limited [1] Travelog World for Windows Pty. Limited	Director/Shareholder Trustee/Beneficiary Director Director Director Director Director Director
Clyde McConaghy	Optima Boards Neuroscience Research Australia	Director Director
Bob Shaw	Financial Equities Limited Ripon Trust Serko Australia Pty Limited [1] Serko India Private Limited [1] Serko Investments Limited [1] Travelog World for Windows Pty. Limited	Director/Shareholder Trustee/Beneficiary Director Director Director Director

1 Serko subsidiary as detailed on page 100.

Shareholding

In accordance with section 148(2) of the Companies Act 1993, Directors disclosed the following acquisitions or disposals of relevant interests in Serko ordinary shares during the financial year ended 31 March 2024:

Name	**Nature of relevant interest**	Number of securities acquired/ (disposed)	**Consideration paid/ received** [4]	**Date of acquisition/ disposal**
Claudia Batten	On-market automated sale by the custodian under the Non-Executive Director Fixed Trading Plan to settle administration fees arising in relation to the administration and management of the Plan (following completion of the term of the Plan). [1]	(128.85)	$498.65	4-Jul-23
	On-market automated sale by the custodian under the Non-Executive Director Fixed Trading Plan to settle administration fees arising in relation to the administration and management of the Plan (following completion of the term of the Plan). [1]	(126.55)	$539.12	2 Nov-23
	On-market automated sale by the custodian under the Non-Executive Director Fixed Trading Plan to settle administration fees arising in relation to the administration and management of the Plan (following completion of the term of the Plan). [1]	(112.06)	$447.13	5-Mar-24
Darrin Grafton	• Legal owner of unlisted RSUs. [2] • Registered holder and beneficial owner of ordinary shares in Serko Limited.	• (78,754) [3] • 78,754 [3]	Nil/Services	24-May-23
	• Indirect interest in RSUs [2] acquired through a personal relationship with the registered holder. • Indirect interest in ordinary shares in Serko Limited acquired through a personal relationship with the legal owner.	• (1,765) [3, 4] • 1,765 [3, 4]	Nil/Services	24-May-23
	Legal owner of unlisted RSUs. [2]	123,528 [3]	Nil/Services	6-Jun-23
	Indirect interest in RSUs [2] acquired through a personal relationship with the registered holder.	2,754 [3, 4]	Nil/Services	6-Jun-23
Clyde McConaghy	Registered holder and beneficial owner of shares by virtue of Mr McConaghy being the trustee (and beneficiary of) the Portofino Trust.	(21,621)	$76,500.91	13-Jun-23
	Registered holder and beneficial owner of shares by virtue of Mr McConaghy being the trustee (and beneficiary of) the Portofino Trust.	(13,379)	$47,829.93	14-Jun-23
Bob Shaw	• Legal owner of unlisted RSUs. [2] • Registered holder and beneficial owner of ordinary shares in Serko Limited.	• (50,194) [3] • 50,194 [3]	Nil/Services	24-May-23
	Legal owner of unlisted RSUs. [2]	78,354 [3]	Nil/Services	6-Jun-23

1 As described in Serko's FY22 ESG Report (available on the Investor Centre of Serko's website), the Non-Executive Director Fixed Trading Plan is now grandfathered.

2 RSU means restricted share units issued under the Serko Long Term Incentive Scheme, which, upon vesting, convert to ordinary shares in Serko Limited.

3 These shares are subject to a deed restricting exercise of any voting rights attached to the shares/any shares issued upon vesting.

4 By virtue of Darrin Grafton's personal relationship, he is implied to have the power to exercise, or to control the exercise of, any right to vote attached to these shares by virtue of a personal relationship with the beneficial holder of these shares (Donna Bailey).

In accordance with the NZX Listing Rules, as at 31 March 2024, Directors had a relevant interest (as defined in the Financial Markets Conduct Act 2013) in Serko shares as follows:

Name	Relevant interest	% [5]
Claudia Batten [4]	125,138.44	0.10%
Darrin Grafton [1]	12,381,170	10.16%
Bob Shaw [2]	9,283,077	7.62%
Clyde McConaghy [3]	147,909	0.12%
Jan Dawson	0	0.00%
Sean Gourley	0	0.00%

1 The relevant interest includes: 10,884,629 ordinary shares held via a trust in which the Director is a trustee and beneficiary; 264,877 ordinary shares held directly; and an indirect interest in 1,231,664 ordinary shares by virtue of a personal relationship with the beneficial holder of these shares. Darrin Grafton is also the registered holder and beneficial owner of 178,991 unlisted restricted share units allocated pursuant to the Serko Employee Incentive Share Scheme and has an indirect interest in 4,033 unlisted restricted share units by virtue of a personal relationship with the beneficial owner.

2 The relevant interest includes: 9,151,250 shares held via a trust in which the Director is a trustee and beneficiary and 131,827 ordinary shares held directly. Bob Shaw is also the registered holder and beneficial owner of 115,017 unlisted restricted share units allocated pursuant to the Serko Employee Incentive Share Scheme.

3 Ordinary shares (146,818) are held via a trust in which the Director is a trustee and beneficiary.

4 Ordinary shares (41,684.44) are held in custody pursuant to the now grandfathered, Serko Non-executive Director Fixed Trading Plan.

5 Based on the number of shares on issue as at 31 March 2024: 121,845,709.

For the purposes of s161 of the Companies Act 1993, the following entries were made in the Interests Register in FY24 in relation to the payment of remuneration and other benefits to directors:

Date of entry	Director	Particulars of Board authorisation
26 May 2023	Bob Shaw Darrin Grafton	The payment of remuneration and the provision of other benefits by the Company to the executive directors on the terms detailed in the Board minutes dated 26 May 2022 and on the grounds set out in the corresponding directors' certificate.
29 January 2024 [1]	Sean Gourley	The payment of remuneration and provision of other benefits by the Company to a newly appointed Non-executive Director on the terms detailed in the Board Resolutions dated 29 January 2024 and on the grounds set out in the corresponding directors' certificate.
19 March 2024 [2]	Claudia Batten	The payment of remuneration by the Company to the non-executive directors on the terms detailed in a Board Resolution dated 19 March 2024 and on the grounds set out in the corresponding directors' certificate.

1 Authorising the remuneration of Sean Gourley as Director, consistent with the fees paid for existing Non-executive Directors, as detailed in the Remuneration Report on page 123.

2 Special exertion payment to Claudia Batten for the work undertaken for the recruitment and appointment of Sean Gourley as Non-executive Director.

For the purposes of section 162 of the Companies Act 1993, an entry was made in the Interests Register in relation to insurance effected for directors and officers of Serko in relation to any act or omission in their capacity as directors or officers.

There were no new entries made in the subsidiary Company Interests Registers during the financial reporting period.

Shareholding Disclosures

As at 31 March 2024, there were 121,845,709 Serko ordinary shares on issue, each conferring on the registered holder the right to vote on any resolution at a meeting of shareholders. These shares were held as follows:

Size of shareholding	Number of holders	%	Number of ordinary shares	%
1 - 1,000	1,333	46.79	560,197	0.46%
1,001 - 5,000	962	33.77	2,303,250	1.89%
5,001 - 10,000	240	8.42	1,794,239	1.47%
10,001 - 50,000	220	7.72	4,570,970	3.75%
50,001 - 100,000	42	1.47	3,059,769	2.51%
100,001 and over	52	1.83	109,557,284	89.91%
Total [1]		**100**		**100%**

1 Includes 1,263,865 ordinary shares with restrictive conditions held by Serko Trustee Limited (all unallocated) pursuant to the now grandfathered Serko Restricted Share Plan. The last tranche of allocated restricted shares vested during FY22. Restricted shares, when allocated, have voting rights attached, which are exercised on behalf of a beneficial holder by the Trustee at the direction of the beneficial holder.

As at 31 March 2024, the following securities were on issue:

- 1,263,865 ordinary shares with restrictive conditions held by Serko Trustee Limited (all unallocated) pursuant to the now grandfathered Serko Restricted Share Plan. The last tranche of allocated restricted shares vested during FY22;
- 16 participants holding a total of 63,124 options pursuant to the Serko (US) Share Incentive Plan; and
- 217 participants holding a total of 2,910,248 restricted share units pursuant to the Serko Employee Long Term Incentive Scheme (ANZ) and Serko Employee Share Incentive Plan (US).

Further information on these incentive plans is contained in the Notes to the financial statements and the Remuneration Report included in this Annual Report.

Top 20

Below are details of the 20 largest shareholders of Serko as at 31 March 2024:

	Shareholder [1]	Number of ordinary shares held	%
1	Tea Custodians Limited	13,231,776	10.86%
2	Darrin Grafton & Geoffrey Robertson Ashley Hosking	10,884,629	8.93%
3	Robert James Shaw & Michael John Moore	9,151,250	7.51%
4	Bnp Paribas Nominees NZ Limited Bpss40	9,022,935	7.41%
5	Custodial Services Limited	8,044,355	6.60 %
6	Accident Compensation Corporation	5,978,918	4.91%
7	Coronado Pte Limited	5,406,431	4.44%
8	HSBC Nominees (New Zealand) Limited	5,175,407	4.25%
9	Premier Nominees Limited	4,808,702	3.95%
10	Citibank Nominees (NZ) Ltd	3,868,407	3.17%
11	Hobson Wealth Custodian Limited	3,730,853	3.06%
12	New Zealand Superannuation Fund Nominees Limited	3,398,187	2.79%
13	New Zealand Depository Nominee	2,383,878	1.96%
14.	J P Morgan Nominees Australia Pty Limited	1,758,429	1.44%
15	NZ Permanent Trustees Ltd Grp Invstmnt Fund No 20	1,578,360	1.30%
16	Skip Enterprises Pty Limited	1,527,924	1.25%
17	Pt Booster Investments Nominees Limited	1,485,900	1.22%
18.	Citicorp Nominees Pty Limited	1,299,845	1.07%
19	JPMORGAN Chase Bank	1,266,670	1.04%
20	Serko Trustee Limited	1,263,865	1.04%

Substantial Product Holders

According to Serko records and disclosures made to Serko under the Financial Markets Conduct Act 2013, the following persons were substantial product holders as at 31 March 2024:

Substantial product holder	Number of ordinary shares in which relevant interest is held	% of class held at balance date [6]
Darrin Grafton	12,381,170 [5]	10.161%
Harbour Asset Management Limited [1]	11,192,747 [4]	9.186%
Geoffrey Hosking [2]	10,884,629 [5]	8.933%
Fisher Funds Management Limited	10,636,309 [4]	8.729%
Robert (Bob) Shaw	9,283,077 [5]	7.619%
Michael Moore [3]	9,151,250 [5]	7.511%
Jarden Securities Limited [1]	612,616 [4]	0.503%

1 Harbour Asset Management Limited and Jarden Securities Limited filed joint substantial product holder notices during FY24.

2 Geoffrey Hosking is a trustee of the Grafton-Howe No. 2 Family Trust, of which Darrin Grafton is a trustee and a beneficiary.

3 Michael Moore is a trustee of the Ripon Trust, of which Robert Shaw is a trustee and a beneficiary.

4 Based on last substantial product holder notice filed prior to 31 March 2024.

5 Based on Serko's records and on the last substantial product holder notice filed prior to 31 March 2024.

6 Based on issued share capital of 121,845,709 as at 31 March 2024.

Subsidiary Company Directors

With the below exception, directors of Serko's subsidiaries do not receive any remuneration or other benefits in respect of their appointments. The remuneration and other benefits of any such directors who are employees of the group totalling $100,000 or more during the year ended 31 March 2024 are included in the relevant bandings for remuneration disclosed on page 120 of this Annual Report.

Serko has agreed to pay Yogita Chadha NZ$18,000 per year in relation to acting as a Director of Serko India Private Limited. During the financial year ended 31 March 2024, she earned, and was paid, NZ$18,000 during the year.

The following persons held office as Directors of subsidiary companies as at 31 March 2024:

Subsidiary	Directors
Foshan Sign Information Technology Limited (China)	Mark Xu (Supervisor) Rob Wright (Legal Representative)
InterplX Inc. (US)	Darrin Grafton Shane Sampson [1]
Serko Australia Pty Limited (Australia)	Darrin Grafton Bob Shaw Murray Warner
Serko Inc (US)	Darrin Grafton Claudia Batten
Serko India Private Limited (India)	Darrin Grafton Bob Shaw Yogita Chadha
Serko Investments Limited (New Zealand)	Darrin Grafton Bob Shaw
Serko Trustees Limited (New Zealand)	Shane Sampson Rachael Satherley

1 Tony D'Astolfo retired as Director in June 2023. Shane Sampson was appointed in March 2024.

Regulatory Matters

No NZX waivers were granted or relied on by Serko during the financial year.

Donations

Refer to the Notes to the Financial Statements for any donations made via the Serko Group during FY24. Serko does not make any political donations.

Credit Rating

Serko does not presently have an external credit rating status.

Registration as a Foreign Company

Serko is registered with the Australian Securities and Investments Commission as a foreign company and has been issued with the Australian Registered Body Number of 611 613 980.

ASX Disclosures

Serko holds a Foreign Exempt Listing on the ASX. As a requirement of admission, Serko must make the following disclosures:

- Serko's place of incorporation is New Zealand.
- Serko is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001 dealing with the acquisition of shares (including substantial holdings and takeovers).

Distributions/Dividends

There were no dividends or distributions paid to shareholders during the financial period. Dividends and other distributions with respect to the shares are only made at the discretion of the Serko Board. Serko is a growth technology company and is not intending to pay a dividend for FY25.

Takeover Response Guidelines

Serko's Takeover Protocol and Independent Committee Charter sets out the procedure to be followed in the event Serko was to receive a takeover offer. This procedure was last reviewed in 2022. The Independent Committee is not a standing committee of the Board and will be formed only when required to respond to a takeover offer that causes some Directors to be conflicted.

We intend to review and update our takeover procedures in FY25.

Net Tangible Assets

Serko's net tangible assets per share (excluding treasury stock) as at 31 March 2024 was 68.75c.

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Relevant policies and charters are available at www.serko.com/investors

Principle/recommendation	Section of report and page number
Principle 4 - Reporting & Disclosure	
4.1 Continuous disclosure policy	Market Disclosure Policy on page 88
4.2 Code of ethics, charters and policies on website	Charters and Policies on page 88
4.3 Balanced, clear and objective financial reporting	Financial Reporting on page 88 Financial statements are contained from page 36 – 69
4.4 Non-financial disclosure	Non-Financial Reporting on page 88 ESG Report is available at www.serko.com/investors
Principle 5 - Remuneration	
5.1 Director remuneration policy	Remuneration Report from page 105
5.2 Executive remuneration policy	Remuneration Report from page 105
5.3 CEO remuneration	Remuneration Report from page 105
Principle 6 - Risk & Management	
6.1 Risk management	Risk Management from page 89
6.2 Health and safety risks	Additional Business Risks on page 91
Principle 7 - Auditors	
7.1 Audit framework	External Auditor's Independence on page 92
7.2 External auditor attends annual meeting	Annual Shareholder Meeting on page 92
7.3 Internal audit	Internal Audit on page 92
Principle 8 - Shareholder Rights & Relations	
8.1 Investor website	Information for Shareholders on page 93
8.2 Shareholder communications	Information for Shareholders on page 93
8.3 Right to vote	Shareholder protections and voting rights on page 93
8.4 Pro rata offers	N/A during this reporting period
8.5 Notice of meeting	Annual Shareholders' Meeting on page 93

Remuneration Report

PRAC Committee Chair's Letter

As Chair of Serko's People, Remuneration and Culture Committee (PRAC Committee), I am pleased to present to you Serko's Remuneration Report, covering the financial year ended 31 March 2024.

Core to the work of this Committee is ensuring our reward disclosures are transparent. This year we have taken on feedback from shareholders and advisers, as well as considering the new NZX Corporate Governance Institute remuneration reporting guidelines. We have made further enhancements to our disclosures to provide more transparency on reward practices at Serko.

I am pleased to report against the other areas I outlined would be a focus for Serko in FY24 as follows:

- We worked to cascade and embed the Serko Objectives & Key Results (OKRs) through the organisation with greater levels of transparency and measurement of objectives. Nearly 90% of employees had active OKRs, with 79% of employees agreeing with the statement "I understand how Serko is tracking on its OKRs" and almost 90% agreeing that they are "Clear on Serko's mission and purpose".
- Serko's career-level framework and data-driven approach to remuneration reviews has set a strong foundation for benchmarking, analysis and reward decisions and we continue to use this alongside performance outcomes to support pay reviews and career progression processes.
- We published our first Pay and Gender Equity Statement and registered on the New Zealand 'Mind the Gap' Registry. We will continue to support transparency and accountability in this space. More information on this can be found in our ESG report.
- We introduced a broader gender-neutral parental leave benefit that goes beyond the legislative minimum. We have strong employee engagement in our survey for our diversity statements scoring 91% for "in my team diverse perspectives are valued" and 90% for "Serko hires people from diverse backgrounds".

At Serko we are acutely aware of the evolutionary and increased complexity of technology capabilities in the market. We keep abreast of trends in these deeply specialist roles. In FY24 roles in the fields of AI, Data, and to a lesser extent Cloud, continue to be challenging to source and required us to implement more active attraction strategies to ensure we have the right talent to execute on our growth strategy. We promoted internally an expert to Head of AI and made an external appointment to Head of Data.

Through embedding our career-level framework and regularly tracking pay trends for technology roles in the countries we operate in, we can respond accordingly.

In FY24, this resulted in a targeted mid-year remuneration review focusing on our core technology roles, as well as some internal promotions so we can retain our talent by providing career progression opportunities.

As well as our focus on strategic delivery and the challenge of attracting and retaining the right technology talent, other elements that have shaped the wider remuneration landscape for Serko in FY24 were as follows:

1. Market volatility – from high inflation and pay pressure in early FY24 to inflationary pressures easing in the 2nd half.
2. Lower employee turnover had a positive impact as uncertainty materialises more widely in the general market.
3. Continuing to develop a high performance culture and expectations through the embedding of our OKRs and talent identification processes.
4. Continuing to consider and respond to employee sentiments on Culture and Reward through our engagement survey.
5. We have reviewed our remuneration principles to align with Serko's recently launched new 'Guiding Principles'. These guiding principles are designed to be the foundation of our culture. They are a compass that guide our behaviour, decisions and actions. Our refreshed remuneration principles are outlined on page 109 and will guide our work in FY25.

Organisational Performance

Serko's OKR scorecard has centred on delivering growth, serving both our managed and our non-managed travel customers, enhancing our platform technology through an experimentation-based approach and hiring the right capability to deliver on our technology goals.

The achievement against our Company scorecard this year resulted in a 69% achievement. As a consequence, our reward outcomes for our Employee Incentive Share Scheme (EISS) and Short Term Incentive (STI) were in line with this outcome. More details on the scorecard and the outcomes are provided on page 118.

Non-executive Director Remuneration

I led an external review with EY Australia to assess the appropriate remuneration structure. The Director fee pool has not been increased since 2021. We remain focussed on our capacity to extend the governance that is necessary to adapt and compete in our sectors and to attract and retain strong international Director talent.

Based on the outcome of the review and other market factors, including consultation with external stakeholders, a recommendation to increase the fee pool will be put to shareholders at the upcoming Annual Shareholders' Meeting. The details of this are set out in the Notice of Meeting.

The Committee also approved an exertion payment of $10,000 to the Board Chair, Claudia Batten, to recognise the additional work she undertook to find, assess and appoint Serko's new Board member.

Executive Remuneration

We signalled in last year's report that our aim was to deliver a new at-risk long-term incentive (LTI) with increased alignment to improved shareholder returns. I am pleased to advise that during FY24 the work on this was completed and details on how this new Executive LTI based around shareholder returns will operate is provided on page 112 of this report.

In FY24 we also commenced a review of the CEO's remuneration package benchmarking to market and ensuring appropriate relativity with the rest of the Executive Team. We have now completed this review and a new remuneration package for FY25 has been approved. Details of this is included in page 117 of this Remuneration Report.

Remuneration Outlook

The PRAC Committee continues to ensure Serko's remuneration practices evolve and remain fit for purpose. In the next two years Serko is committing to:

1. Re-designing and simplifying our performance management practices by reducing the focus on a ratings-led performance culture and increasing the focus on continuous feedback and coaching for high performance. We look forward to providing you with an update as we build this process over the coming year together with our people to ensure it is motivating and inspiring.
2. Enhancing our Gender Pay plan by continuing to embed, enhance and reinforce our practices and develop our reporting to be more granular. This will assist us to identify drivers of the gap, as well as better understand intersectionality, where gender and ethnicity converge.
3. Checking our benefits offering to ensure it remains relevant and is aligned with our values and purpose, as well as the market.
4. Assessing sustainability as a concept for inclusion in future measures for incentives.

As always, we are keen to maintain an open dialogue with shareholders to understand their perspectives on our remuneration practices. Should you have any questions, you can contact me directly at RemChair@Serko.com.

Clyde McConaghy
Chair • People, Remuneration and Culture Committee

Governance

Serko's PRAC Committee is responsible for reviewing and approving the Group's remuneration principles and framework and reviewing and approving the provision of any significant employee benefits outside of that framework. The PRAC Committee also reviews and approves Serko's Remuneration Policy. The PRAC Committee is also accountable for ensuring the remuneration framework is aligned with the remuneration principles outlined on the following page.

The PRAC Committee operates under a written Charter, which is available in our Investor Centre: www.serko.com/investors.

The PRAC Committee makes recommendations to the Board in relation to the remuneration of the Chief Executive Officer (CEO) and the Company's broader Executive Team (in consultation with the CEO). This includes recommendations related to equity-based incentive schemes and the discretionary annual incentive, including whether offers under the incentive plans are made each year. They also make recommendations regarding the fixed remuneration pools for all Serko employees. Company-wide performance measures and targets that relate to incentives are reviewed annually by the PRAC Committee and approved by the Board.

The Board retains ultimate responsibility for the remuneration arrangements of the CEO in relation to their terms of employment, remuneration and participation in the Group's incentive programmes, including the setting and evaluating of performance targets.

The current members of the PRAC Committee are

- Clyde McConaghy (Chair);
- Jan Dawson; and
- Claudia Batten.

All members are independent, non-executive directors. For more information on the role and responsibilities of the Board and the PRAC Committee with respect to remuneration practices, as well as PRAC Committee attendance, see our Corporate Governance Statement, on page 75 of this Annual Report.

Remuneration Strategy & Framework

Serko's Purpose is to **bring people together**. This Purpose is underpinned by our vision and mission, our guiding principles and our strategic goals. Serko's remuneration strategy and framework is designed to attract and retain high-calibre talent who are empowered, motivated and driven to deliver against these strategic goals and OKRs and ultimately create long-term shareholder value.

Serko's Remuneration Policy outlines the following remuneration principles that apply to all employees, including executives, which are underpinned by Serko's Guiding Principles, to ensure remuneration practices at Serko are fair and equitable and that reward is differentiated for higher individual and Company performance. This policy separately outlines the treatment of Non-executive Director remuneration.

Guiding Principle	Remuneration Principle	Principle described	How it will show up in remuneration
Be a good human	Equitable and unique	Equitable outcomes for all	• A fairness and equity lens are applied to all remuneration decisions. • Competitive in the technology sector.
Win together	Share in the success	Employees and shareholders both share in the success of Serko	• Equity is a core component of our remuneration packages. • Company outcomes and individual outcomes are aligned. • Reward information is transparent.
Dare to simplify	Simple and accessible	Simple and easy to understand	• Rewards are easy to understand. • Serko continually evolves the reward offering.
Boldly go beyond	Boldly perform	Bold and strong performance is rewarded	• Reward for achievement above target. • Recognition for intelligent innovation. • Build mastery and have an impact.

Each year, the PRAC Committee conducts a review of Serko's Remuneration Policy to assess whether any changes are required to ensure it continues to deliver a remuneration structure that is consistent with the policy principles.

Remuneration Structure & Policy

Serko's remuneration framework is applied to all employees, including its Executive Team, which includes the CEO and his direct reports with leadership responsibilities. Its global banding structure ensures roles are mapped into specific bands with broadly equivalent work scope and complexity. Pay ranges for each band are determined based on local benchmarking of market rates.

Total remuneration at Serko includes a mix of fixed remuneration and variable at-risk remuneration, delivered via Serko's incentive programmes. The proportion of at-risk remuneration increases with the seniority of employees. Variable at-risk components are tied to the Company's performance, as well as individual performance. This approach is designed to support the 'pay for performance' policy and to ensure delivery of shareholder value over both the short and long term.

Company and individual short-term objectives are agreed annually. The PRAC Committee reviews performance against the Company's objectives following the release of the results for the first six months of the financial year and again at year end.

Every employee, including the CEO and Executive Team members, has regular performance reviews and a formal annual performance review. The annual review process assesses performance against agreed individual goals and Company OKRs, both financial and non-financial. Performance reviews took place for FY24 in accordance with that process. The outcomes of the performance process are a key input to the end-of-year remuneration review and incentive awards.

In addition, Serko offers a number of benefits that may have a value to employees but are not considered part of remuneration. In FY25, Serko will be reviewing benefits to ensure they are still fit for purpose and aligned with our new Guiding Principles.

Remuneration Benchmarking

The PRAC Committee reviews market benchmarking for Serko's pay bands for employees and for key roles, including executives on a regular basis to ensure trends in the market are tracked and identified and can be responded to accordingly.

In FY24, the Board did not engage any external independent remuneration consultants for bespoke benchmarking, other than the non-executive director fee benchmarking conducted by EY Australia.

Serko continues to use the technology specific market data through Radford to underpin Serko's career and remuneration framework. This data is released regularly for market benchmarking purposes.

This Remuneration Report contains disclosures of those employees (other than employees who are directors) who received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded $100,000 per annum, in brackets of $10,000, as required by the Companies Act 1993. Please refer to page 120.

The following table summarises each component of employee remuneration, including for the Executive Team:

Component	Summary	Eligibility	Link to Strategy and Performance
Fixed Remuneration	• Base salary. • Benefits include employer retirement contributions (eg, Kiwisaver and Australian Superannuation).	All permanent and fixed-term employees.	• Based on individual skills, experience, accountabilities, performance and talent. • Benchmarked to the median of the market in Serko's respective locations. • Reviewed annually based on market data, internal relativities and performance criteria. • Reviewed mid-year for core technology roles supported by market analysis.
Short Term Incentive (STI) *At risk*	• Discretionary at-risk cash payment with targets set as a percentage of base salary.	Executive Team members and selected senior leadership roles.	• Designed to reward performance against the delivery of annual financial and strategic objectives for the respective financial year, creating alignment with shareholder value creation. • Rewards the achievement of Company and individual performance.
Equity-based/ Long Term Incentive Scheme (EISS) *At risk*	• Discretionary equity-based award in the form of Restricted Share Units (RSUs) that convert into Serko shares at vesting. • At risk with targets set as a percentage of base salary.	All permanent employees (excluding the Executive Team) for FY24 performance and beyond.*	• Designed to retain employees to support the delivery of a multi-year strategy and align rewards with longer-term shareholder value. • Provides employees with a vested interest in the Company through equity to incentivise share price growth and share in the organisational success. • The RSU awards are performance based with gateways that must be met before a grant is made. • Rewards the achievement of the Company and individual performance.
Executive Long Term Incentive (Executive LTI) (Introduced in FY24)	• Discretionary equity-based award in the form of RSUs that convert into Serko shares at vesting. • Both tenure and performance-related vesting criteria. *Additional terms of the incentive are detailed on page 112.*	Executive Team members from FY24 onwards.	• Detail regarding alignment to strategy and performance is on page 112.
Sales Incentive Plans *At risk*	• Discretionary cash-based payment linked directly to sales/business development performance targets.	Selected sales and business development roles.	• Designed to support the delivery of Serko's revenue and customer-base growth.

* Executives were granted restricted units under this scheme in FY24, for FY23-related performance.

In addition to offering restricted share units, Serko has historically also offered employees equity incentives in the form of Restricted Shares and Options (in the US only). The Restricted Share Plan has subsequently been grand-fathered and no restricted shares were allocated during the current financial period. No employees currently have unvested Restricted Shares allocated to them. Similarly, no new Options were offered to US employees during the period, with RSUs being offered in their place. The number of Options currently on issue is detailed in the Corporate Governance Statement section of this Annual Report on page 75.

New Executive Long Term Incentive

A new *at-risk* Executive Long Term Incentive (Executive LTI) has been developed for the Executive Team, replacing their eligibility for the Employee Incentive Share Scheme (EISS). This applies for FY24 and beyond, with the first grant to be issued in FY25.

The PRAC Committee considered the following principles when designing the new Executive LTI:

- remaining competitive within the technology industry to attract and retain high calibre executive talent for Serko;
- motivating and rewarding performance to incentivise the delivery of Serko's long-term strategic objectives; and
- strengthening alignment of rewards with long-term shareholder value.

The PRAC Committee considers the new Executive LTI to appropriately balance these design principles.

The vehicle for the Executive LTI is Restricted Share Units (RSUs), which will convert to ordinary shares in Serko Limited on vesting.

The RSU grant value for each Executive Team member is based on an unchanged target percentage of base salary and is subject to certain pre-grant gateways. Once granted, the RSUs will vest in three tranches over three years from the grant date, as follows:

Tranche	% of total RSU grant	Vesting period from grant	Vesting criteria	Payout
Tranche 1	25%	1 year	Tenure	100%
Tranche 2	25%	2 year	Tenure	100%
Tranche 3	50%	3 year	Absolute Total Shareholder Return (aTSR)	Payout is pro-rated for performance from 80% up to 150% of achievement against target

Incentive Schemes – Key Terms

	Short Term Incentive	Equity-Based Long Term Incentive	Executive Long Term Incentive (from FY24 onwards)
Absolute Total Shareholder Return (aTSR)			aTSR is a performance metric used to evaluate stock performance for investors that factors in both capital gains and dividends to measure the overall returns an investor earns on their investment. aTSR will be measured based on share price appreciation and the applicable target share price levels and thresholds. These target levels will be calculated based on a weighted average cost of capital (WACC).
Board Discretion	The Board retains absolute discretion in relation to all STI and LTI schemes.		
Capital Event		The Board has discretion to adjust awards to account for capital changes to obtain an equitable outcome for participants. The Board also retains broad discretion to determine the treatment of unvested awards in the event of a change of control.	
Economic Risk		No Director or employee is permitted to enter into financial products or arrangements that operate to limit the economic risk of their vested or unvested entitlements.	
Eligibility	Eligible to selected roles only – primarily Executive and Senior Leadership Teams.	All permanent employees* in Australia, China, New Zealand and the United States**. Since Serko's inception, the Founders have been committed to supporting all employees (where possible) to own shares in the Company. This is achieved by the majority of employees being eligible for Equity-Based LTI as a % of base salary.	Executive Team, including the CEO.
Executive Team	Includes the CEO and his direct reports with leadership responsibilities.		
Malus/ Clawback	Payment of any incentive under the Scheme is at the absolute discretion of the Board.	The RSU Scheme Rules permit the Board to exercise discretion to clawback an award or require repayment of the net proceeds of shares sold, in the event of fraud, dishonesty or breach of other obligations (including a material misstatement of financial information). This provision is designed to ensure no unfair benefit is obtained by any participant.	
Pay Vehicle	Cash-based payment with target incentive based on pre-determined, % of base salary.	Award of restricted share units (RSUs) as a target % of base salary.	Award of restricted share units (RSUs) as a target % of base salary.
Performance Criteria	Rewards the achievement of Company performance based on a Company scorecard of metrics (measuring 'what' outcomes are achieved) including longer-term strategic deliverables. Includes individual performance objectives and measures (measuring 'what' outcomes are achieved and 'how' those outcomes are achieved).		

* Excludes Executive Team members for FY24 performance and beyond (with initial grants to occur in FY25). Executive Team members still received a grant under the EISS in FY24 based on FY23 performance.

** In limited circumstances outside of these countries, cash-based incentives are offered in place of equity-based incentives due to the regulatory complexity of offering securities into that jurisdiction.

Incentive Schemes – Key Terms continued...

	Short Term Incentive	Equity-Based Long Term Incentive	Executive Long Term Incentive (from FY24 onwards)
Purpose	Designed to reward performance of annual financial and strategic objectives for the respective financial year.	Designed to align rewards with longer-term shareholder value and retain key staff to support delivery of multi-year strategy.	Designed to align rewards with longer-term shareholder value growth and retain executives.
Termination	Unless Board discretion is exercised, if a participant is no longer employed at the time of payment, they will not be eligible under the Scheme.	Unless Board discretion is exercised, if a participant ceases employment with the Company, any unvested awards will be forfeited.	
Vesting Criteria	Annual cash payment following achievement of Company and individual performance criteria.	Three-year vesting period following the end of the respective financial year with a vesting schedule of one third each year.	Year One 25% – based on tenure. Year Two 25% – based on tenure. Year Three 50% – based on achievement of an Absolute Total Shareholder Return (aTSR) performance hurdle.
	No incentive to be paid/awarded if minimum gross revenue and cash reserve performance gateways are not met. Vesting is subject to meeting threshold performance hurdles based on the financial and strategic metrics detailed in the table on page 118.		
Weighted Average Cost of Capital (WACC)			WACC represents a company's cost of capital from all sources, including common stock and all forms of debt. As such, WACC is the average rate that a company expects to pay to finance its business.

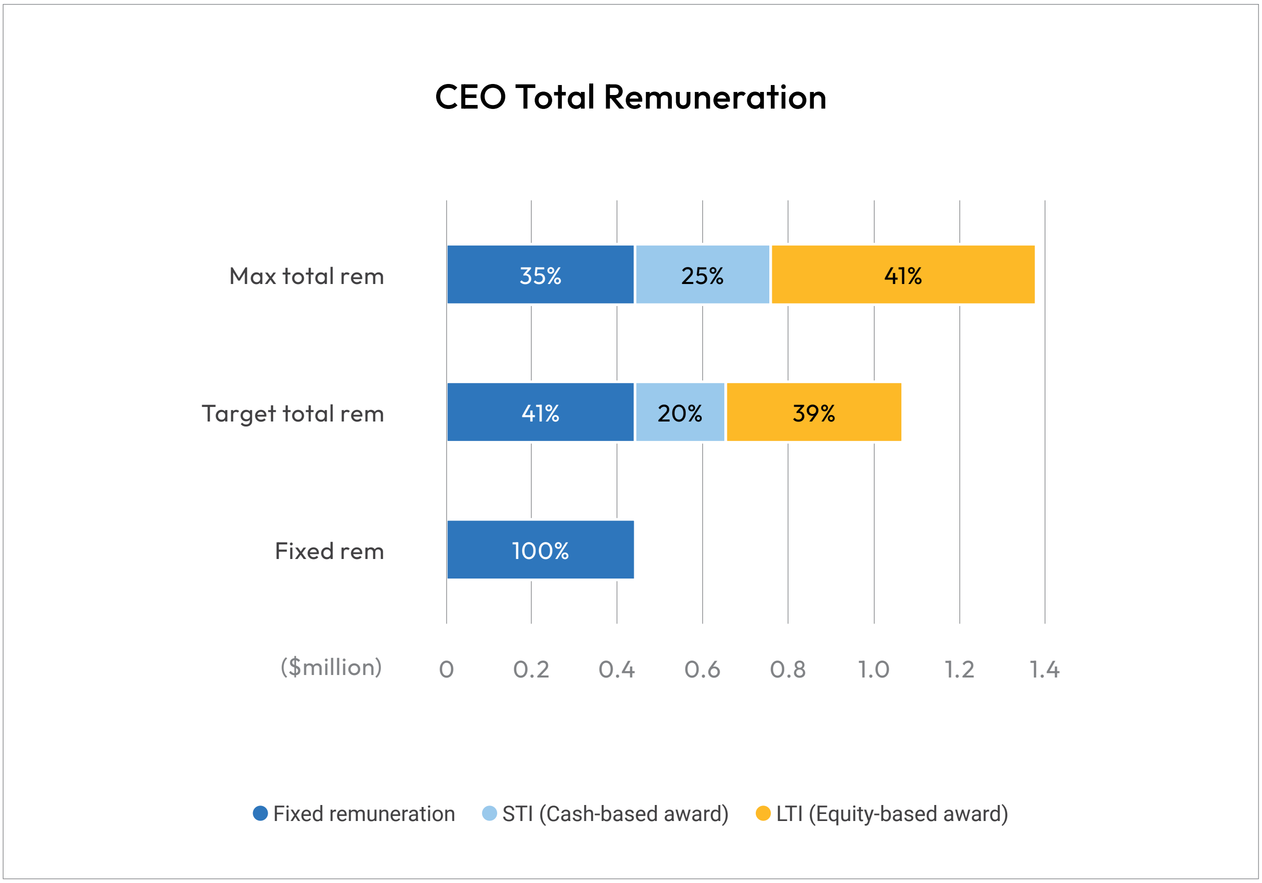
CEO Remuneration Outcomes for FY24

This section outlines the remuneration received by the CEO, Darrin Grafton, who is also an Executive Director of Serko for FY24. Darrin Grafton receives remuneration and other benefits in his capacity as CEO in line with the Remuneration Policy and, accordingly, does not receive separate directors' fees. No termination payments are payable to the CEO (or for any other Executive Team member) in the event of serious misconduct. As noted above, the RSU Scheme Rules enable clawback of awards/net proceeds of sale of shares in the event of misconduct.

The CEO has an STI with an on target payment of 50% of base salary, up to a maximum of 75% of base salary if outperformance occurs against both the Company and individual performance measures.

The CEO also has an LTI target value of 100% of base salary remuneration up to a maximum value of 125% of target value if outperformance occurs.

The table below shows the CEO's target and maximum total remuneration for FY24:



CEO Remuneration Paid/Received

The tables below (and accompanying notes) set out the total remuneration and value of other benefits received/paid to the Serko CEO during the financial period ended 31 March 2024, as well as 31 March 2023 for comparative purposes:

Year	Base salary [1]	Taxable benefits [2]	Subtotal	Pay for performance			Total remuneration paid/received
				STI	EISS / LTI [4]	Pay for performance Subtotal	
FY24	$439,228	$12,246	$451,474	$193,200	$248,075 in the form of 78,754 RSUs	$441,275	$892,749
FY23	$432,482	$11,186	$443,668	$100,375	$177,459 in the form of 43,817 RSUs	$277,834	$721,502

1 Base salary includes employer contributions towards KiwiSaver at 3%. CEO Darrin Grafton also received a carpark and life insurance, which do not have individually allocated values.

2 Taxable benefits include health insurance.

3 The STI stated was earned in the prior financial year and paid in the stated financial year.

4 Equity-based incentives previously granted to the CEO that vested during the relevant financial period. Refer to table below for more detail. Represents the NZX closing price of SKO (Serko) ordinary shares on the day prior to vesting, multiplied by the number of securities vested. Vesting was settled via the issue of new shares.

CEO Remuneration Earned

The tables below (and accompanying notes) set out the total remuneration and value of other benefits earned by the Serko CEO relating to the financial period ended 31 March 2024 (as well as 31 March 2023 for comparative purposes). Some of this remuneration will be paid in FY25 and beyond:

Year	Base salary [1]	Taxable benefits [2]	Subtotal	Pay for performance			Total remuneration
				STI [3]	EISS / LTI	Subtotal	
FY24	$439,228	$12,246	$451,474	$137,655 (66% of FY24 STI target)	$420,000 in the form of restricted share units to be issued [4]	$557,655	$1,009,129
FY23	$432,482	$11,186	$443,668	$193,200 (92% of FY23 STI target)	$335,996 in the form of 123,528 restricted share units issued (80% of FY23 LTI target)	$529,196	$972,864

1 Base salary includes employer contributions towards KiwiSaver at 3%. CEO Darrin Grafton also received a carpark and life insurance, which do not have individually allocated values.

2 Taxable benefits include health insurance.

3 The STI stated was earned in the relevant financial year and will be paid in the following financial year.

4 The Executive LTI equity-based incentive is intended to be granted in June 2024 for non-cash consideration. The restricted share units will vest at 25% in year one (2025), 25% in year two (2026) and 50% in the third year (2027) based on the relevant performance hurdles as detailed on page 118. The value stated is the gross amount earned. The number of securities to be issued will be calculated based on the 20-day volume weighted average price of Serko (SKO) shares on NZX at the time of grant.

CEO Target Remuneration

The CEO's total target remuneration for FY25, with FY24 as a comparison, is as follows:

Year	Base salary [1]	Taxable benefits [2]	Subtotal	Pay for performance			Total remuneration
				STI	Executive LTI	Subtotal	
FY25	$519,120 [3]	$12,613	$531,733	$252,000 (100% of FY25 STI target)	$504,000 in the form of restricted share units to be issued (100% of FY25 LTI target)	$756,000	$1,287,733
FY24	$432,600	$12,246	$444,846	$210,000 (100% of FY24 STI target)	$420,000 in the form of restricted share units to be issued (100% of FY24 LTI target)	$630,000	$1,074,846

1 Base salary includes employer contributions towards KiwiSaver at 3%. CEO Darrin Grafton also received a carpark and life insurance, which do not have individually allocated values.

2 Taxable benefits include health insurance.

3 The increase in base salary for the CEO results from an Executive Remuneration review by AON at the beginning of 2023 and a market review in 2024 of CEO's in similar companies. The CEO did not receive any increase since the FY22 year.

The following equity-based incentives previously granted to the CEO vested during the financial period ended 31 March 2024:

Form of equity	Grant year	RSUs granted	Vested in FY24	Value on vesting [1]	Remaining unvested	Final vesting year
Restricted share units	Financial Year 2021	50,145	45,063	$141,948	—	2024
Restricted share units	Financial Year 2022 [2]	35,752	11,918	$37,542	11,917	2025
Restricted share units	Financial Year 2023 [2]	65,320	21,773	$68,585	43,546	2026
Restricted share units	Financial Year 2024 [2]	123,528	—	—	123,528	2027
Total			**78,754**	**$248,075**	**178,991**	

1 Represents the NZX closing price of SKO (Serko) ordinary shares on the day of vesting, multiplied by the number of securities vested. Vesting was settled via the issue of new shares. Price NZD $3.15 for the 23rd May 2023.

2 Note that grants made in FY22 (relating to FY21 performance) and onwards, had the new vesting schedule of one third per year over three years.

FY24 CEO Performance Metrics and Outcomes

The CEO's performance-based remuneration components are assessed annually based on individual performance and Company performance against a performance scorecard, comprising financial and strategic measures. Individual key performance metrics were set by the Board at the beginning of the year for the CEO. These related to qualitative supporting initiatives required to successfully execute against Serko's strategic objectives.

For FY24, the relative weightings are a 50% weighting each for Financial metrics and Non-Financial obejctives. The Company measures applied for FY24 were as follows:

Serko Scorecard	Financial Metrics		Non-financial Objectives		
Strategic goals FY23-FY25	Total Income	Profitability	Customer	Technology	Culture
FY24 OKR summary	Make booking for business easy Unlock the US market	Efficiency	Build travel software that people love Deliver an exceptional CX through experimentation	Adopt next generation technology foundations	The best place to do your best work
Target measurement [1]	Total income	Revenue per headcount	# of experiments product delivery launches in production in FY24 against the growth target of experiments through the year	Reduce cost to serve per booking	Employee engagement
STI weighting [2]	50%		50%		
FY24 result	23%		46%		

1 Each measure has a defined threshold, target and stretch/maximum target. Achievement below the threshold results in 0% outcome for that component. No STI or LTI is payable if minimum annual gross revenue and cash reserve targets are not met. These gateway targets were met for FY24.

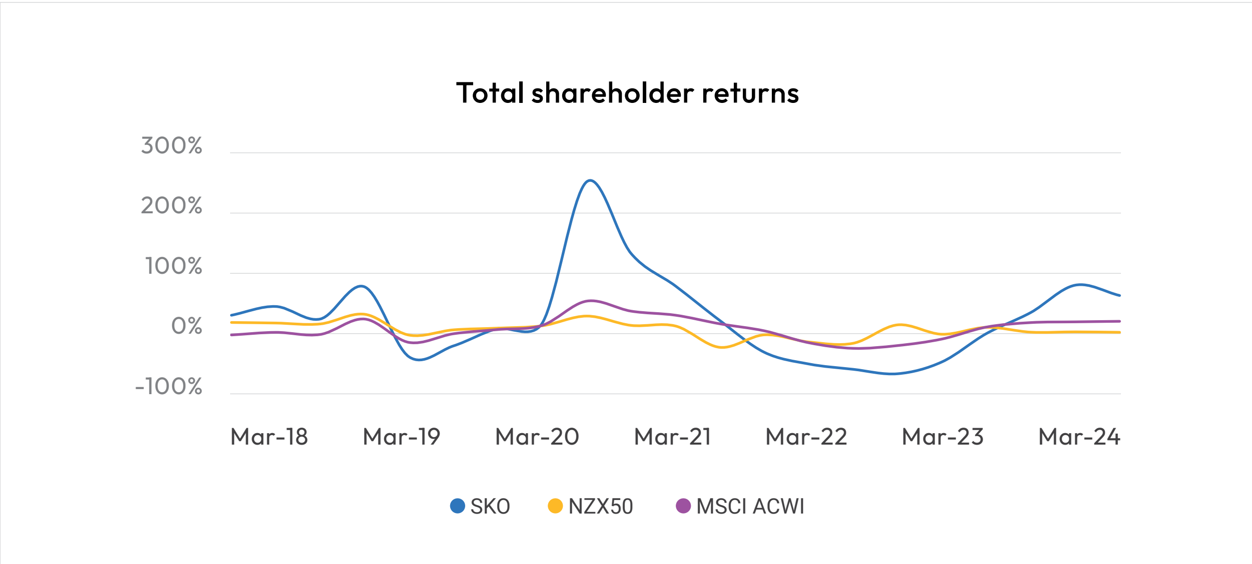
2 This weighting also applied to the EISS, which is only applicable for non-Executive Team members.

The overall results for FY24 were determined to be 69% for Company performance against objectives.

These calculations are used to determine the Company multiplier applied when assessing incentive performance outcomes. When assessing the performance outcomes against the pre-agreed objectives and target measures, the Board gave particular attention to the precision of setting and executing against revenue growth targets in FY24.

CEO Pay Relative to Performance

Serko's Total Shareholder Returns (TSR) over the last five years, as at 31 March 2024, are shown below, along with incentive payments and equity grants awarded against on-target performance.



Metric	2024 ($000)	2023 ($000)	Change ($000)	Change %
Total income	$71,185	$48,025	$23,160	▲ 48%
Net Profit/(Loss) After Taxation	($15,879)	($30,540)	$14,479	▲ 47%
Market capitalisation	$473,980	$287,859	$186,121	▲ 65%
Underlying average monthly cash-burn	$592	$2,718	($2,126)	▲ 18%

CEO Remuneration (actual as a % of target) over five-year period

	Total remuneration	% STI awarded against on-target performance	STI performance period	% LTI awarded against on-target performance	Span to LTI performance periods
FY24	$1,009,129	66%	FY24	100%	May 2024 to May 2027
FY23	$972,868	92%	FY23	80%	May 2023 to May 2026
FY22	$722,898	50%	FY22	75%	May 2022 to May 2025
FY21	$690,568	50%	FY21	73%	Aug 2021 to May 2024
FY20 [1]	$598,841	0%	FY20	56%	Sept 2020 to May 2023

1 There were no STI pay-outs awarded for FY20 due to the impacts of Covid-19.

Employee Remuneration

The table below shows the number of employees and former employees of Serko and its subsidiaries, not being directors of Serko, who, in their capacity as employees, received remuneration and other benefits during the year ended 31 March 2024 totalling at least NZ$100,000.

The remuneration of employees paid outside of New Zealand has been converted into New Zealand dollars as at 31 March 2024. No employee appointed as a Director of a subsidiary company of Serko (except as noted on page 100) receives any remuneration or other benefits for acting in that capacity.

The table below includes base salaries, STIs, contributions to pension plans and vested or exercised equity-based payments. The table does not include equity-based incentives that have been granted and have not yet vested.

Remuneration range (NZD)	Number of employees whose remuneration includes vested share-based payments [1]	Total number of employees in range
$100,000 - $110,000	9	21
$110,000 - $120,000	9	18
$120,000 - $130,000	6	20
$130,000 - $140,000	9	15
$140,000 - $150,000	17	25
$150,000 - $160,000	15	28
$160,000 - $170,000	13	19
$170,000 - $180,000	9	15
$180,000 - $190,000	8	11
$190,000 - $200,000	10	11
$200,000 - $210,000	9	9
$210,000 - $220,000	0	1
$220,000 - $230,000	2	3
$230,000 - $240,000	3	4
$240,000 - $250,000	3	4
$250,000 - $260,000	3	3
$270,000 - $280,000	3	4
$280,000 - $290,000	1	1
$290,000 - $300,000	2	2
$310,000 - $320,000	1	1
$330,000 - $340,000	1	1
$340,000 - $350,000	0	1
$350,000 - $360,000	1	1
$360,000 - $370,000	1	1
$370,000 - $380,000	1	1
$390,000 - $400,000	1	1
$410,000 - $420,000	1	1
$470,000 - $480,000	1	1
$490,000 - $500,000	1	1
$550,000 - $560,000	1	1
$580,000 - $590,000	1	1
$590,000 - $600,000	1	1
$660,000 - $670,000	1	1
$670,000 - $680,000	1	1
$680,000 - $690,000	1	1
$740,000 - $750,000	1	1
$980,000 - $990,000	1	1
Total number of employees and former employees	**148**	**232**

1 Specifies total number of employees within the range whose remuneration includes equity-based payments that have vested during the period. Table excludes the executive directors' remuneration.

Gender Pay Gap & Pay Equity

We are committed to ensuring we pay our people equitably. As of 31 March 2024, Serko's overall median global gender pay gap was 13%[1]. This is impacted by the relative distribution of females and males at different levels across the organisation.

We are also committed to maintaining pay equity across all roles at Serko. When benchmarked to the median market remuneration of our career-level pay bands for each country, the median remuneration difference between males and females is less than 1%[2] when comparing roles of comparable scope and complexity.

Serko's Pay and Gender Equity Statement can be viewed at www.serko.com/careers. We also support the New Zealand Mind The Gap reporting initiative and contribute to this.

For more information on Serko's broader inclusion and diversity initiatives, see our latest ESG Report, located at www.serko.com/investors.

1 This figure represents the median base salaries, converted to NZD. Analysis includes all permanent full-time, permanent part-time employees and fixed-term employees at full-time equivalent salaries.

2 Based on comparative ratio positioning to remuneration mid points for salaries by career level.

Executive Director Remuneration

The executive directors, Darrin Grafton and Bob Shaw, receive remuneration and other benefits in their respective executive roles as CEO and Chief Strategy Officer (CSO) and, accordingly, do not receive directors' fees. As detailed above, the remuneration packages for the CEO, CSO and other Executive Team members are set by the Board to reflect the scope and complexity of each role, with reference to comparative market data.

The CEO's remuneration and other benefits are detailed on page 115.

Chief Strategy Officer Remuneration Paid/Received

During the period ended 31 March 2024, the CSO's variable remuneration components were based on Company and individual performance against the scorecard detailed on page 122.

The tables below (and accompanying notes) set out the total remuneration and value of other benefits received by Serko's CSO during the financial period ended 31 March 2024, as well as 31 March 2023 for comparative purposes:

Year	Base salary [1]	Taxable benefits [2]	Subtotal	Pay for performance			Total remuneration
				STI [3]	EISS/LTI [4]	Subtotal	
FY24	$296,569	$10,209	$306,778	$122,544	$158,111 in the form of 50,194 RSUs	$280,655	$587,433
FY23	$295,013	$9,144	$304,157	$72,519	$76,436 in the form of 18,873 RSUs	$148,955	$453,112

1 CSO Bob Shaw also received a carpark and life insurance, which do not have individually allocated values.

2 Taxable benefits include health insurance.

3 The STI stated was earned in FY23 and paid in FY24.

4 Equity-based incentives previously granted to the CSO that vested during the financial period. Represents the NZX closing price of SKO (Serko) ordinary shares on the day of vesting, multiplied by the number of securities vested. Vesting was settled via the issue of new shares.

Chief Strategy Officer Remuneration Earned

The tables below (and accompanying notes) set out the total remuneration and value of other benefits earned by Bob Shaw relating to the financial period ended 31 March 2024, as well as 31 March 2023 for comparative purposes. Some of this remuneration will be paid in FY25:

Year	Base salary [1]	Taxable benefits [2]	Subtotal	Pay for performance			Total remuneration
				STI [3]	Executive LTI [4]	Subtotal	
FY24	$296,569	$10,209	$306,778	$71,484 (48% of FY24 STI target)	$296,000 in the form of RSUs to be issued	$367,484	$674,262
FY23	$295,013	$9,144	$304,157	$122,544 (92% of FY23 STI target)	$213,122 in the form of 78,354 RSUs to be issued (80% of FY23 LTI target)	$335,666	$639,823

1 CSO Bob Shaw also received a carpark and life insurance, which do not have individually allocated values.

2 Taxable benefits include health insurance.

3 The STI stated was earned in FY24 and will be paid in FY25.

4 The Executive LTI equity-based incentive is intended to be granted in June 2024 for non-cash consideration. The RSUs will vest at 25% in year one (2025), 25% in year two (2026) and 50% in the third year (2027) based on the relevant vesting hurdles. The value stated is the gross amount earned. The number of securities to be issued will be calculated based on the 20-day volume weighted average price of Serko (SKO) shares on NZX at the time of grant.

Chief Strategy Officer Target Remuneration

The CSO's total target remuneration for FY25, and FY24 for comparison, is as follows:

Year	Base salary [1]	Taxable benefits [2]	Subtotal	Pay for performance			Total remuneration
				STI	EISS/Executive LTI	Subtotal	
FY25	$310,978	$10,515	$321,493	$150,960 (100% of FY25 STI target)	$301,920 in the form of RSUs to be issued (100% of FY25 LTI target)	$452,880	$774,373
FY24	$296,000	$10,209	$306,209	$148,000 (100% of FY24 STI target)	$296,000 in the form of RSUs to be issued (100% of FY24 LTI target)	$444,000	$750,209

1 CSO Bob Shaw also received a carpark and life insurance, which do not have individually allocated values.

2 Taxable benefits include health insurance.

Non-Executive Director Remuneration

The fees paid to non-executive directors are structured to reflect the global nature and complexity of Serko's business and the time commitment and level of governance required by the Serko Board. In August 2021, Serko's shareholders approved a total cap of NZ$600,000 per annum for non-executive directors' fees for the purposes of the NZX Listing Rules.

EY Australia has been engaged to conduct an independent review of non-executive directors fees, the outcome of which is detailed in Serko's Notice of Meeting. As detailed in the Notice of Meeting, an increase in the non-executive director fee pool has been sought and will be subject to shareholder approval at the upcoming Annual Shareholder meeting.

There was no change to the directors' fees paid in FY24. Accordingly, the following fixed annual fees applied to all non-executive directors for the year ending 31 March 2024:

	Position	Fees per annum (AUD)
Board of Directors	Chair	140,000
	Non-executive directors	95,000
Audit, Risk and Sustainability Committee	Committee Chair	20,000
	Committee Member	9,000
People, Remuneration and Culture Committee	Committee Chair	20,000
	Committee Member	9,000

Periodically, by exception, non-executive directors receive special exertion fees for *ad hoc* committee meetings attended (for example, in relation to capital raisings or merger and acquisition (M&A) activity) or other additional work required in addition to their Board and Committee responsibilities. Where special fees are paid, they are required to fall within the shareholder-approved fee cap. A special exertion fee of $10,000 was approved for Board Chair, Claudia Batten, to recognise the substantial work undertaken to recruit and appoint Serko's new Board member, given Serko does not have a stand-alone Nominations Committee to undertake this work.

Non-executive Directors received the following Directors' fees, remuneration and other benefits from the Company in the year ended 31 March 2024:

Name of Director	Remuneration and value of other benefits received [1] Non-executive directors' Board fees ($NZD)	Audit, Risk and Sustainability Committee fees ($NZD)	People, Remuneration and Culture Committee fees ($NZD)	Special exertion fee ($NZD)	Total remuneration ($NZD)	Total remuneration ($AUD)
Claudia Batten	$150,732 *	$9,690	$9,690	$10,700 [3]	$180,812	$168,000
Clyde McConaghy	$102,492	$9,690	$21,577 *	-	$133,759	$124,000
Jan Dawson	$102,492	$21,577 *	$9,690	-	$133,759	$124,000
Sean Gourley [2]	$16,940	N/A	N/A	-	$16,940	$15,833
Total	**$372,656**	**$40,957**	**$40,957**	**$10,700**	**$465,270**	**$431,833**

* Indicates Chair of the Board/Committee.

1 The figures shown are gross amounts, which have been converted into NZD from AUD and exclude GST (where applicable).

2 Appointed as Non-executive Director as at (and fees payable from) 1 February 2024.

3 The Board approved a special exertion payment for Claudia Batten for the work undertaken for the recruitment and appointment of Sean Gourley as a Non-executive Director of Serko.

In addition to Directors' fees, Serko meets costs incurred by Non-executive Directors that are incidental to the performance of their duties. This includes paying the costs of Directors' travel. As these costs are incurred by Serko to enable Directors to perform their duties, no value is attributable to them as benefits to Directors for the purposes of the above table.

The Non-executive Directors do not receive any performance-based remuneration to ensure incentives do not conflict with their obligations to bring independent judgement to matters before the Board. However, it is Serko's policy to encourage Directors to hold shares in the Company to increase alignment with shareholder interests.

Director shareholdings are disclosed in the Corporate Governance Statement contained in this Annual Report.

No retirement benefits will be paid to Non-executive Directors on their retirement unless required under legislation.

Glossary

Active Customers: A non-GAAP measure comprising the number of unmanaged companies who have made a booking in the preceding 12-month period

ANZ: Australia and New Zealand

ARBP or Average Revenue Per Booking: A non-GAAP measure. ARPB for travel-related revenue is calculated as travel-related revenue divided by the total number of online bookings

ARPCRN or Average Revenue per Completed Room Night: A non-GAAP measure — comprises the gross unmanaged supplier commissions revenue per Completed Room Night for revenue-generating hotel transactions

Asia Pacific: Vietnam, Thailand, Taiwan, Sri Lanka, South Korea, South Africa, Singapore, Philippines, Pakistan, New Zealand, Malaysia, Japan, Indonesia, India, Hong Kong, China, Bangladesh and Australia for the purposes of this Annual Report

ASX: ASX Limited, also known as the Australian Securities Exchange

ATMR or Annualised Transactional Monthly Revenue: A non-GAAP measure that is based on the monthly transactions and average revenue per booking (for its Travel platform revenue) and monthly user charges (for its Expense platform revenue) annualised

AUD or A$: Australian dollars

Australasia: New Zealand and Australia for the purposes of this Annual Report

BBZ: An abbreviation of Booking.com for Business (see above)

Booking.com for Business: A global online travel booking offering targeting small to medium-sized companies with Booking.com for Business branding powered by Zeno

Board or Board of Directors: The board of directors of Serko

Carbon Intensity: A non-GAAP measure comprising the total Serko Greenhouse Gas emissions in (tonnes of CO_2 emitted in the period) relative to the Total Income ($m) earned by Serko over the same period

Cash on hand: A non-GAAP measure comprising cash and short-term investments

Cloud or cloud-based: Cloud computing is when the software and associated data is hosted outside the customer's premises and delivered over a network or the Internet as a service, which allows immediate access to the software

Company or Serko: Serko Limited, a New Zealand incorporated company

CRN or Completed Room Nights: A non-GAAP measure comprising the number of unmanaged hotel room nights that have been booked and the traveller has completed the stay at the hotel

EBITDAF: EBITDAF is a non-GAAP measure representing Earnings Before Interest, Taxation, Depreciation, Amortisation, Impairment, Foreign Exchange gains/losses and Fair value remeasurements

ESG: Environmental Social Governance

ESG Report: Serko's Environmental, Social and Governance Report, available at www.serko.com/investors

EUR or EUR€: European Euro

FTE: Full-time equivalent

FX: Foreign exchange

FY: Financial year ended, or ending, on 31 March (unless otherwise stated)

GST: Goods and Services Tax

Headcount: A non-GAAP measure comprising the number of employees (excluding casual workers and employees on parental leave) and contractors employed on the last day of the period

IFRS: International Financial Reporting Standards

Independent Directors: Claudia Batten, Clyde McConaghy, Jan Dawson and Sean Gourley

IPO: Initial Public Offering Listing: The date Serko shares started trading on the NZX Main Board, 24 June 2014

Managed customers: Companies that make online bookings through travel management companies.

NDC or New Distribution Capability: A data exchange format for airlines to create and distribute relevant offers to the customer regardless of the distribution channel

Non-GAAP: Financial Information that does not have a standardised meaning prescribed by NZ GAAP

NORAM: North America

NZ: New Zealand

NZD or NZ$: New Zealand dollars

NZ GAAP or GAAP: New Zealand Generally Accepted Accounting Practice

NZ IFRS: New Zealand equivalents to International Financial Reporting Standards

NZX: NZX Limited, also known as the New Zealand Stock Exchange

NZX Listing Rules or Listing Rules: The Listing Rules applying to the NZX Main Board as amended from time to time

NZX Main Board: The New Zealand main board equity security market operated by NZX

Online Bookings: A non-GAAP measure comprising the number of travel bookings made using Serko's Zeno and Serko Online platforms

Operating expenses: A non-GAAP measure comprising expenses, excluding costs relating to taxation, interest, finance expenses and foreign exchange gains and losses

PD&D or Product design and development costs: A non-GAAP measure representing the internal and external costs related to the design, development and maintenance of Serko's platforms, including costs within operating expenses and amortisation. It excludes capitalised development costs

R&D: Research and Development expenditure

SaaS: Software-as-a-service

Serko Expense Management: Serko's online expense management solution that enables the capture and processing of corporate credit cards and out-of-pocket claims

Serko Mobile: Serko's mobile app for iPhones and Android devices that gives users access to information and travel booking functionality on their mobile devices

Serko Online: Serko's legacy cloud-based online travel booking solution for large organisations

SME: Small and medium enterprise

TMC, Travel Agency or Travel Management Company: A travel management company that provides specialised travel-related services to corporate customers

Total Spend: A non-GAAP measure comprising operating expenses and capitalised development costs. It excludes depreciation and amortisation

Total travel bookings: Includes both online and offline bookings. Offline bookings are system automated bookings

Underlying cash flow: A non-GAAP measure comprising cash flows excluding movements between cash and short-term investments, cash flows related to capital raises and exceptional items from a timing perspective

Unmanaged customers: Companies who make online bookings through Serko's Booking.com for Business platform.

USD or US$: United States dollars

Zeno: Serko's premium cloud-based online travel booking platform

Zeno Expense: Serko's Expense management solution

$: All figures are in New Zealand dollars, unless otherwise stated

Company Directory

Serko is a company incorporated with limited liability under the New Zealand Companies Act 1993

New Zealand Companies Office registration number 1927488
Australian Registered Body Number (ARBN) 611 613 980
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Share Registrar

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Directors

Claudia Batten (Chair)
Jan Dawson
Darrin Grafton
Robert (Clyde) McConaghy
Robert (Bob) Shaw
Sean Gourley

Auditor

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Serko's ESG Report can be found at www.serko.com/investors.

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