

Financial Statements

For the six months ended 30 September 2024

serko

FY25 Interim Report

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Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2024

	Notes	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)
Revenue	3	41,460	35,775	68,761
Other income	3	1,263	570	2,424
Total income		42,723	36,345	71,185
Remuneration and benefits		(28,503)	(25,844)	(49,417)
Other operating expenses		(13,245)	(11,255)	(23,345)
Amortisation and depreciation		(8,894)	(8,253)	(16,973)
Expenses from ordinary activities	4	(50,642)	(45,352)	(89,735)
Loss before finance items		(7,919)	(9,007)	(18,550)
Foreign exchange gains/(losses) – net		410	(260)	(664)
Forward exchange contract gains/(losses)		1,002	453	(420)
Finance income		1,962	2,098	4,167
Finance expenses		(77)	(120)	(219)
Loss before income tax		(4,622)	(6,836)	(15,686)
Income tax expense		(489)	(331)	(193)
Net loss		(5,111)	(7,167)	(15,879)
Movement in foreign currency translation reserve		(726)	350	627
Total comprehensive loss for the period		(5,837)	(6,817)	(15,252)
Earnings per share				
Basic and diluted loss per share (dollars)	11	(0.04)	(0.06)	(0.13)

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

6 months Unaudited 30 Sep 2024	Notes	Share capital \$ (000)	Share-based payment reserve \$ (000)	Foreign currency translation reserve \$ (000)	Accumulated losses \$ (000)	Total \$ (000)
Balance as at 1 April 2024		244,546	9,092	(49)	(137,863)	115,726
Net loss for the period		-	-	-	(5,111)	(5,111)
Other comprehensive income/(loss)*		-	-	(726)	-	(726)
Total comprehensive loss for the period		-	-	(726)	(5,111)	(5,837)
Transactions with owners						
Equity-settled share-based payments		2,645	(13)	-	3	2,635
Balance as at 30 September 2024	10	247,191	9,079	(775)	(142,971)	112,524
6 months Unaudited 30 Sep 2023						
Balance as at 1 April 2023		237,976	10,637	(676)	(122,007)	125,930
Net loss for the period		-	-	-	(7,167)	(7,167)
Other comprehensive income/(loss)*		-	-	350	-	350
Total comprehensive loss for the period		-	-	350	(7,167)	(6,817)
Transactions with owners						
Equity-settled share-based payments		6,267	(3,913)	-	-	2,354
Balance as at 30 September 2023	10	244,243	6,724	(326)	(129,174)	121,467
12 months Audited 31 Mar 2024						
As presented in the 31 March 2024 Annual Report						
Balance as at 1 April 2023		237,976	10,637	(676)	(122,007)	125,930
Net loss for the period		-	-	-	(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	10	244,546	9,092	(49)	(137,863)	115,726

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

Consolidated Statement of Financial Position

As at 30 September 2024

	Notes	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)
Current assets				
Cash at bank		21,955	23,830	14,139
Short-term deposits		60,000	60,500	66,500
Trade and other receivables	5	15,895	15,996	14,637
Derivative financial instruments	6	866	596	145
Total current assets		98,716	100,922	95,421
Non-current assets				
Property, plant and equipment	7	2,185	3,119	2,500
Intangible assets	8	25,060	32,962	31,099
Deferred tax asset		711	393	1,120
Total non-current assets		27,956	36,474	34,719
Total assets		126,672	137,396	130,140
Current liabilities				
Trade and other payables	9	10,351	11,431	9,734
Deferred income		1,473	1,498	1,489
Lease liabilities		1,135	1,075	1,035
Derivative financial instruments	6	222	-	421
Income tax payable		376	155	655
Total current liabilities		13,557	14,159	13,334
Non-current liabilities				
Deferred income		30	222	132
Lease liabilities		561	1,548	948
Total non-current liabilities		591	1,770	1,080
Total liabilities		14,148	15,929	14,414
Equity				
Share capital	10	247,191	244,243	244,546
Share-based payment reserve	10	9,079	6,724	9,092
Foreign currency translation reserve		(775)	(326)	(49)
Accumulated losses		(142,971)	(129,174)	(137,863)
Total equity		112,524	121,467	115,726
Total equity and liabilities		126,672	137,396	130,140

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



Claudia Batten
Chair



Jan Dawson
Chair of Audit, Risk and Sustainability Committee

Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Notes	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)
Cash flows from operating activities				
Receipts from customers		41,121	37,257	69,101
Interest received		1,421	944	4,339
Receipts from government grants		35	-	1,663
Taxation paid		(359)	(89)	(391)
Payments to suppliers and employees		(38,804)	(37,001)	(70,946)
Interest payments on lease liabilities		(55)	(95)	(169)
Net GST refunded		1,326	1,220	2,298
Net cash flows from operating activities	12	4,685	2,236	5,895
Cash flows from investing activities				
Purchase of property, plant and equipment		(175)	(41)	(232)
Capitalised development costs and other intangible assets		(2,599)	(5,095)	(11,193)
Investment in term deposits		(37,500)	(15,500)	(85,000)
Proceeds from matured term deposits		44,000	27,500	91,000
Net cash flows from/(used in) investing activities		3,726	6,864	(5,425)
Cash flows from financing activities				
Payment of lease liabilities		(486)	(518)	(1,163)
Net cash flows from/(used in) financing activities		(486)	(518)	(1,163)
Net increase/(decrease) in total cash		7,925	8,582	(693)
Net foreign exchange difference		(109)	4	(412)
Cash and cash equivalents at beginning of period		14,139	15,244	15,244
Cash and cash equivalents at the end of the period		21,955	23,830	14,139
Cash and cash equivalents comprises the following:				
Cash at bank		21,955	23,830	14,139
		21,955	23,830	14,139

Notes to the Financial Statements

For the six months ended 30 September 2024

1. CORPORATE INFORMATION

The unaudited interim consolidated financial statements ('Interim Financial Statements') of Serko Limited ('the 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.

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

2. BASIS OF ACCOUNTING

These Interim Financial Statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and comply with NZ IAS 34 Interim Financial Reporting. The unaudited Interim Financial Statements have been prepared using the going concern assumption and are presented in thousands of New Zealand Dollars.

a) Accounting policies and disclosures

The Interim Financial Statements have been prepared using the same accounting policies and methods of computation as, and should be read in conjunction with, the financial statements and related notes included in the Group's annual report for the financial year ended 31 March 2024.

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

b) 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.

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

There are no new revised or amended IFRS Standards that have a material impact on the Group for the period. The accounting policies adopted are consistent with the prior period.

3. REVENUE AND OTHER INCOME

	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)
Revenue – transaction and usage fees:			
Travel platform booking revenue	11,742	9,573	19,215
Expense platform revenue	2,672	2,618	5,291
Supplier commissions revenue	26,387	22,681	42,930
Services revenue	496	740	1,000
Other revenue	163	163	325
Total revenue	41,460	35,775	68,761
Government grants	1,262	570	2,412
Other	1	-	12
Total other income	1,263	570	2,424
Total revenue and other income	42,723	36,345	71,185

	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)
Geographic information			
Australia	12,382	10,174	20,564
New Zealand	1,459	1,576	2,981
US	1,347	1,634	2,980
Europe and Other	26,272	22,391	42,236
Total revenue	41,460	35,775	68,761

Serko reduces supplier commissions revenue by the amount of consideration payable to customers relating to jointly agreed marketing fees. For the six months ended 30 September 2024, consideration payable to customers was \$1.8 million (30 September 2023: \$1.7 million; 31 March 2024: \$2.0 million).

4. EXPENSES

	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)
Loss before finance and taxation includes the following expenses:			
Employee remuneration	24,392	22,159	41,633
Contributions to pension plans	1,175	1,052	2,148
Share-based payment expenses	2,635	2,354	5,048
Other remuneration and benefits	301	279	588
Total remuneration and benefits	28,503	25,844	49,417
Hosting expenses	3,546	3,812	7,796
Third party connection costs	1,255	1,149	2,257
Other platform related costs	993	1,457	2,149
Auditor remuneration and other assurance fees	135	103	290
Directors' fees	287	220	465
Directors' fees - subsidiaries	9	9	18
Movement of expected credit loss allowance on receivables	(21)	-	(601)
Bad debts written off	-	(113)	647
Rental and operating lease expenses	114	18	117
Professional fees	2,613	761	2,300
Computer licences	912	786	1,736
Insurance costs	666	558	1,288
Marketing expenses	862	700	1,392
Recruitment fees	79	211	370
Donations	4	3	24
Travel and entertainment	656	709	1,372
Other expenses	1,135	872	1,725
Total other operating expenses	13,245	11,255	23,345
Amortisation	8,204	7,357	15,313
Depreciation	690	896	1,660
Total amortisation and depreciation	8,894	8,253	16,973
Expenses from ordinary activities	50,642	45,352	89,735

5. TRADE AND OTHER RECEIVABLES

	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)
Trade receivables	3,403	2,806	3,560
Expected credit loss provision	(145)	(39)	(174)
Trade receivables (net)	3,258	2,767	3,386
GST receivable	117	291	396
Sundry debtors	3,887	4,021	2,560
Contract assets	7,197	7,784	6,234
Prepayments	1,436	1,133	2,061
Total trade and other receivables	15,895	15,996	14,637

6. 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:

	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)
Current:			
Foreign currency forward exchange contracts: asset	866	596	145
Foreign currency forward exchange contracts: (liability)	(222)	-	(421)
Contractual amounts of forward exchange contracts outstanding were as follows:			
Foreign currency forward exchange contracts: asset	46,737	55,927	16,210
Foreign currency forward exchange contracts: (liability)	7,181	-	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.

7. PROPERTY, PLANT AND EQUIPMENT

	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)
Opening Balance	2,500	3,946	3,946
Additions	420	41	232
Lease Modifications	-	-	6
Disposals	(4)	-	(70)
Depreciation	(690)	(898)	(1,660)
Currency translation	(41)	30	46
Closing Balance	2,185	3,119	2,500

8. INTANGIBLES

	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)
Opening Balance	31,099	35,041	35,041
Additions	2,599	5,095	11,193
Disposals	(259)	-	-
Amortisation	(8,204)	(7,357)	(15,313)
Currency translation	(175)	183	178
Closing Balance	25,060	32,962	31,099

9. TRADE AND OTHER PAYABLES

	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)
Trade payables	1,415	794	1,350
Accrued expenses	5,467	7,257	5,338
Annual leave accrual	3,469	3,380	3,046
Total trade and other payables	10,351	11,431	9,734
Disclosed as:			
Current	10,351	11,431	9,734
Non-current	-	-	-
	10,351	11,431	9,734

10. EQUITY

	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)	6 months Unaudited 30 Sep 2024 (000)	6 months Unaudited 30 Sep 2023 (000)	12 months Audited 31 Mar 2024 (000)
Ordinary shares						
Balance at 1 April	244,546	237,976	237,976	121,846	120,443	120,443
Issue of shares pursuant to RSU scheme	2,645	6,267	6,570	676	1,349	1,403
Share capital at 30 September	247,191	244,243	244,546	122,522	121,792	121,846
Share-based payment reserve						
Balance at 1 April	9,092	10,637	10,637			
Share based payment expense	2,635	2,354	5,048			
Shares vested to employees via RSU scheme	(2,645)	(6,267)	(6,570)			
Share options expired	(3)	-	(23)			
Share-based payment reserve at 30 September	9,079	6,724	9,092			

11. EARNINGS PER SHARE (EPS)

	6 months Unaudited 30 Sep 2024	6 months Unaudited 30 Sep 2023	12 months Audited 31 Mar 2024
	\$ (000)	\$ (000)	\$ (000)
Loss attributable to ordinary equity holders of the parent			
Continuing operations	(5,111)	(7,167)	(15,879)
	(5,111)	(7,167)	(15,879)

	Number (000)	Number (000)	Number (000)
Basic earnings per share			
Issued ordinary shares	122,522	121,792	121,846
Weighted average of issued ordinary shares	122,259	120,781	121,616
Adjusted for unallocated employee restricted share plan shares	(3,837)	(1,264)	(3,014)
Weighted average of issued ordinary shares outstanding	118,422	119,517	118,602
Basic and diluted loss per share (dollars)	(0.04)	(0.06)	(0.13)

	6 months Unaudited 30 Sep 2024	6 months Unaudited 30 Sep 2023	12 months Audited 31 Mar 2024
	Cents	Cents	Cents
Net tangible assets per security*	71.48	73.43	68.75

* 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) at the reporting period end.

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

	6 months Unaudited 30 Sep 2024 \$ (000)	6 months Unaudited 30 Sep 2023 \$ (000)	12 months Audited 31 Mar 2024 \$ (000)
Net loss	(5,111)	(7,167)	(15,879)
Add non-cash items			
Amortisation	8,204	7,356	15,313
Depreciation	690	897	1,660
Deferred tax (gain)/loss	409	(43)	(770)
(Gains)/losses on foreign exchange transactions	(343)	166	664
Forward exchange contract (gains)/losses	(1,002)	(452)	420
Share-based compensation	2,635	2,354	5,048
Loss on disposal of assets	260	-	59
	5,742	3,111	6,515
Add/(less) movements in working capital items			
(Increase)/decrease in receivables	(1,284)	(2,305)	(754)
Increase/(decrease) in income tax payable	(279)	72	572
Increase/(decrease) in trade and other payables	506	1,358	(438)
	(1,057)	(875)	(620)
Net cash flow from operating activities	4,685	2,236	5,895

13. EVENTS AFTER BALANCE SHEET DATE

On 23 October 2024, Serko Limited entered into an agreement to purchase GetThere L.P. from Sabre GLOB Inc (Sabre). GetThere L.P. is a provider of corporate travel management software headquartered in the United States. The consideration payable to Sabre is comprised of a cash payment of USD \$10 million, and deferred consideration of USD \$2 million to be settled in either cash or issuance of shares in Serko Limited. The acquisition is expected to occur on or about 06 January 2025.

Serko has also entered into a long-term partnership with Sabre that includes up to USD \$12.75 million in performance bonuses linked to Sabre achieving contracted annual revenue on a one-to-one ratio from co-selling in the first two calendar years. The performance bonus will be settled in either cash or shares in Serko Limited, subject to Serko's discretion and cash balance conditions

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.

14. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 September 2024 (30 September 2023: \$nil, 31 March 2024: \$nil).

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

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