



31 December 2015 Interim Results

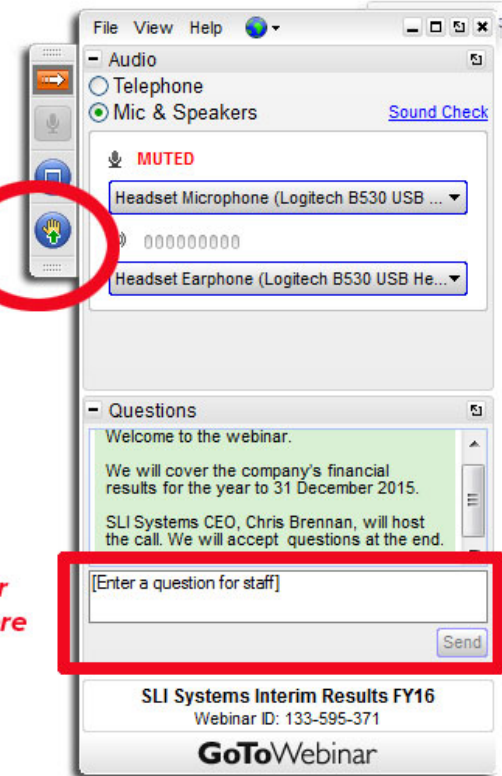
Chris Brennan and Rod Garrett

Housekeeping

- All participants muted
- Webinar will last approximately 60 minutes
- Q & A session at the end, ask questions by:
 1. 'raising your hand', see picture opposite
 2. type questions in question panel at the bottom of the screen, see picture opposite

*'raise hand' here
to ask question
verbally*

*or type your
question here*



Highlights

Indicates record performance^[3]

➤ ARR^[1] growth of
23%^[2]
(to \$35.6m)

➤ Gross margin
76.4%

➤ Growth of
30%
in operating
revenue to
\$17.4m

➤ Cash
\$5.6m

➤ Retention rate
87%
by value

➤ Cash flow
neutral
in past six
months

[1] Annualised Recurring Revenue (ARR) is a non-GAAP financial performance measure used internally by SLI as a basis for its expected forward revenue. ARR is calculated based on the subscription revenue from the existing customer base in the reference month and then annualized using exchange rates at the end of the reference month. ARR does not account for changes in behaviour of customers. For the Site Champion component of ARR it is necessary to apply judgement to mitigate the effects of one-off events that impact the reference month revenue of the calculation.

[2] 23% is the growth from the reported currency ARR of \$28.9m at Dec 2014. On a constant currency basis the growth over the past 12 months was 10%.

[3] Gross margin and cash flow achievements are record performances since the company's IPO..

SLI makes e-commerce better

With SLI, online retailers' products are easier to find

- Better site search and navigation on all devices
- More relevant results
- Better visibility in Google and other search engines
- Product recommendations
- Landing pages

SLI increases online retailers' revenue

- If people can readily find what they want, they are more likely to buy
 - Higher conversion rates
 - Higher average order value
 - Lower abandonment
 - More traffic

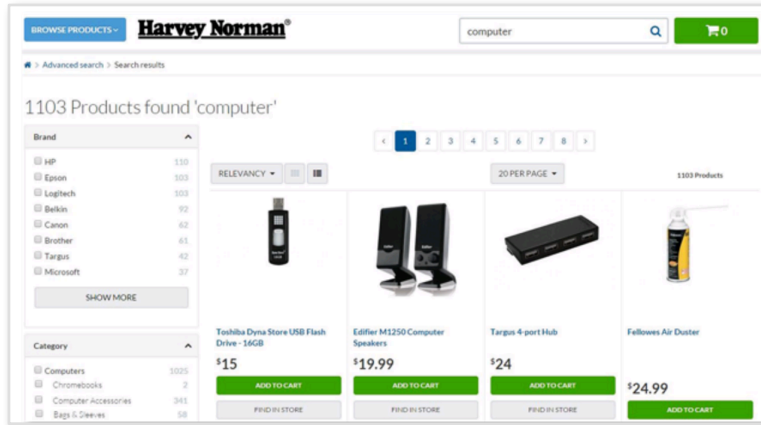
e-commerce
accelerated

Learning Search[®] – adds revenue

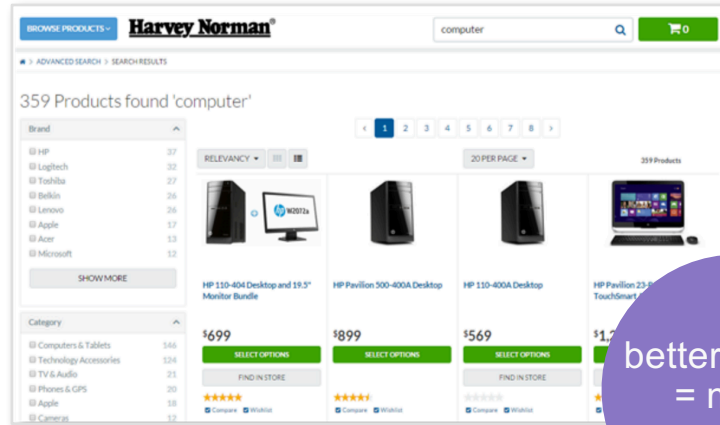


E-commerce site search that learns from the activity of site visitors to give each shopper the most relevant results, better conversion rates and higher average order value.

Example: a search on [Harvey Norman](#) for “computer” before and after SLI



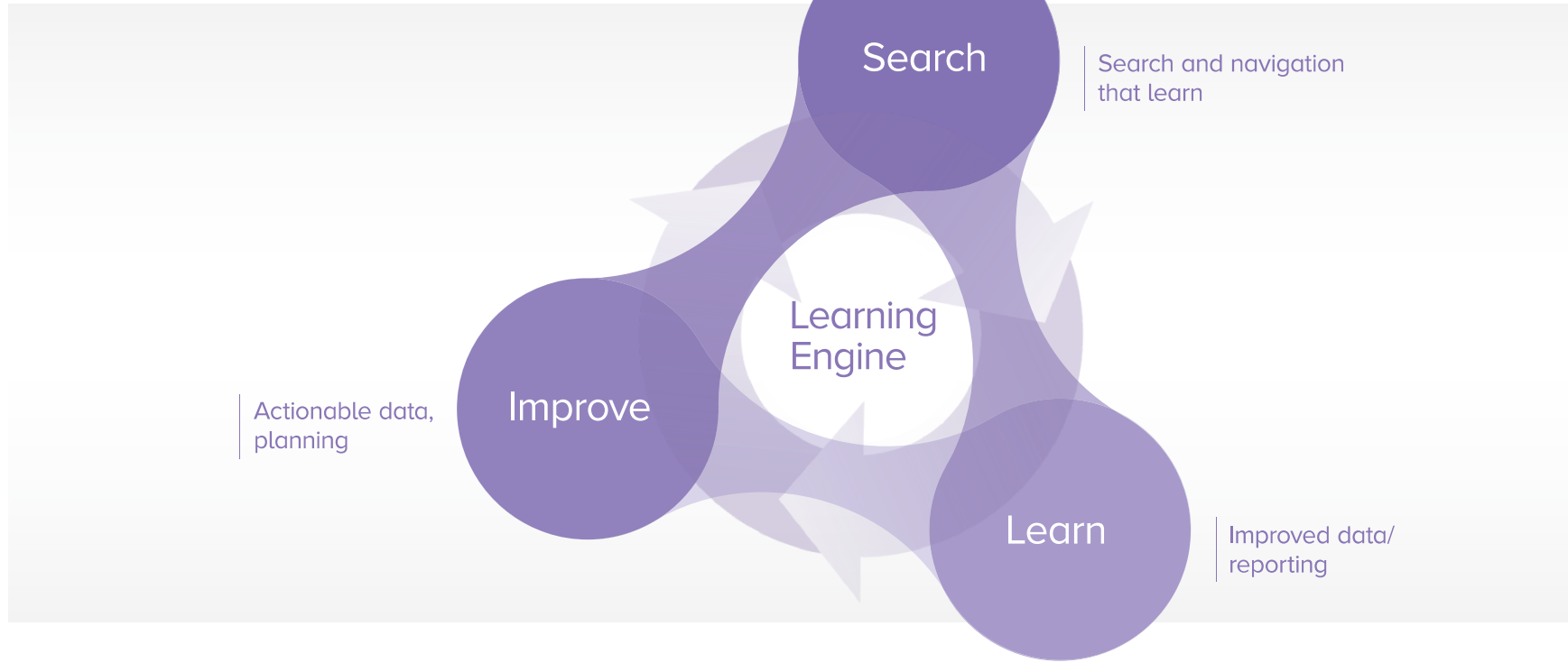
Before SLI



After SLI

better search
= more
revenue

SLI Learning Platform



A suite of complementary solutions



Search



Rich Auto Complete



Recommendations



Merchandising



User-generated SEO



Navigation



Mobile



Dynamic Product Banners



Landing Page Creator

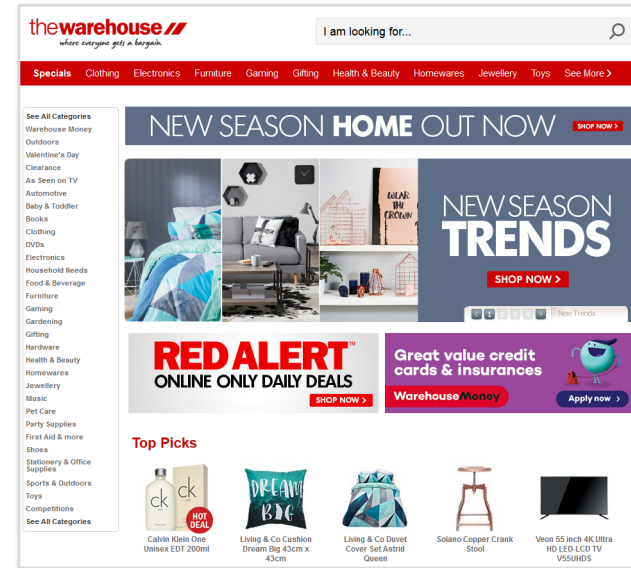


Services

Who is the target market?

Businesses that sell products or services online

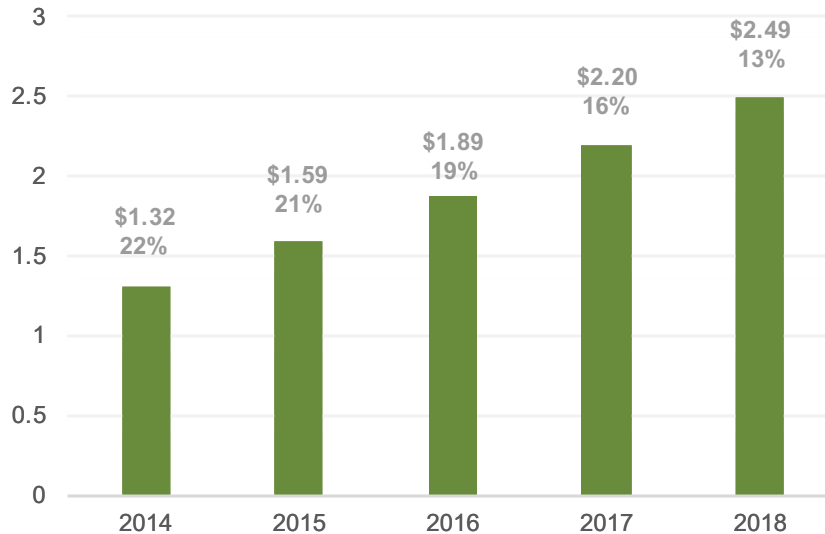
- Online retail and catalogue sales
- Mid to large-market online sellers
- B2B e-commerce sites
- Manufacturers or brands that sell direct



A large and fast growing market

Global B2C e-commerce sales, estimated

USD trillions



Source: eMarketer, December 2014

17%
CAGR

110,000
E-commerce sites
generating revenue
of meaningful scale

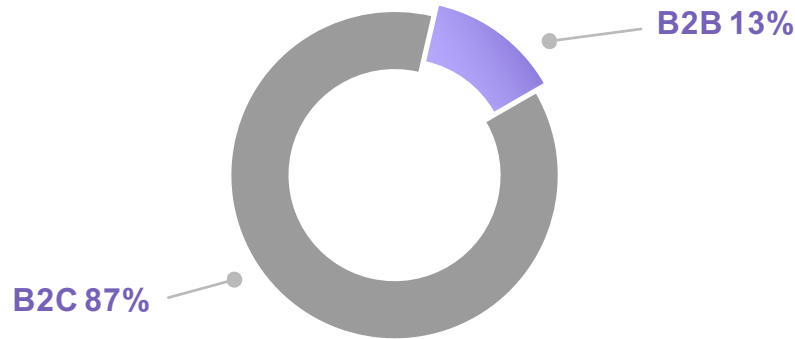
Source: RJ Metrics, 2014

B2B holds huge potential

2020 global B2B e-commerce sales: \$6.7 trillion

Source: Frost and Sullivan, April 9, 2015

SLI Customers by Count



B2B represents a small percentage of SLI's customer count today.

Extensive investment in our sector

Investment in/acquisition of companies by sector in 2015 (USD)

- E-commerce
 - \$32.5 billion
 - Up 145% YoY
- Mobile
 - \$7.3 billion
- Marketing technology
 - \$26.8 billion
 - Up 38% YoY

Source: Petsky Prunier Investment Bankers, January 2016

Constant currency ARR growth at 10%

Good


- EMEA and APAC average 34% 12 month growth rate

Needs improvement

- Americas region
 - 64% of total revenue in this underperforming region
 - Nil growth in past year
- Aggressive lead generation programs
- Policies and processes under revamp for sales and service functions

Action plan

- New CEO, CRO and VP of Customer Success appointed in USA
- Strong focus on Americas
- Aggressive lead generation programs
- Policies and processes under revamp for sales and service functions



Positive result
and continued
focus on
improvement

Filling out our leadership team



Chris Brennan - CEO

- More than 30 years experience
- CEO of 6 prior Silicon Valley companies
- Led the creation of more than US \$2 billion in shareholder value



Martin Onofrio - CRO

- More than 30 years experience
- Consistent track record for exceeding quota and raising Average Sales Price

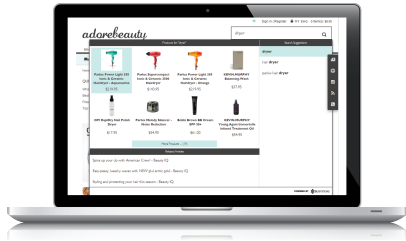


Gary Schaumburg – VP Customer Success

- More than 25 years experience
- Expert in customer service and customer relationships

Innovation continues

Best-in-class technology



Enhanced Rich Auto Complete



New Reporting Console

Product releases in last six months

- Expanded Rich Auto Complete
- New Merchandising Dashboard
- Spanish language support for Merchandising Console
- Magento 2.0 extension support
- Improvements to existing products, SEO and language support

Awards in past 18 months



SLI delivers compelling long term value



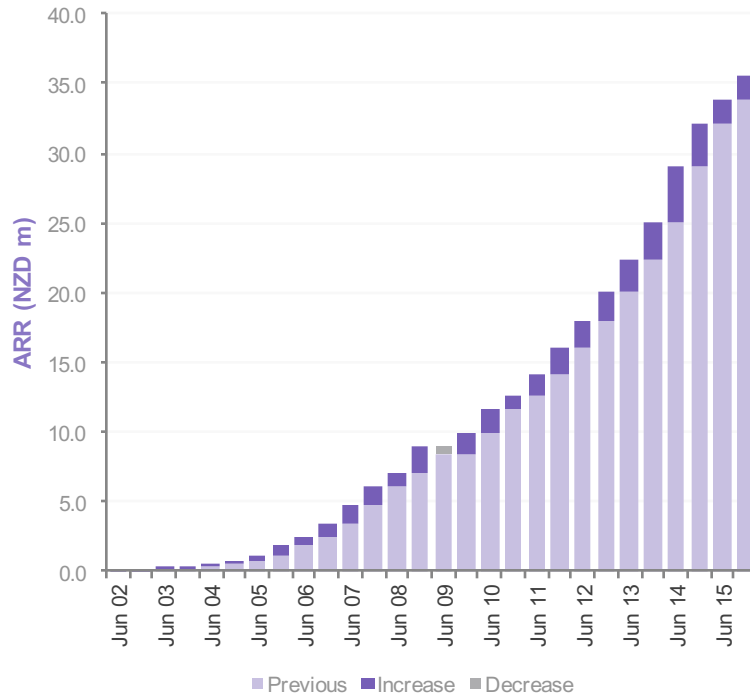
- SaaS recurring revenue model
 - Currently \$35.6 million in annual recurring revenue
- Proven direct sales model with track record of success
 - More than 600 customers today globally
- Growth in revenue from
 - Existing markets
 - Existing customers
 - New products
 - New markets
- Compelling long term value through high gross margin (76%) recurring revenue, coupled with good retention rate (87% by value)

Financial Overview

Annualised Recurring Revenue (ARR)



ARR Growth to Dec 15



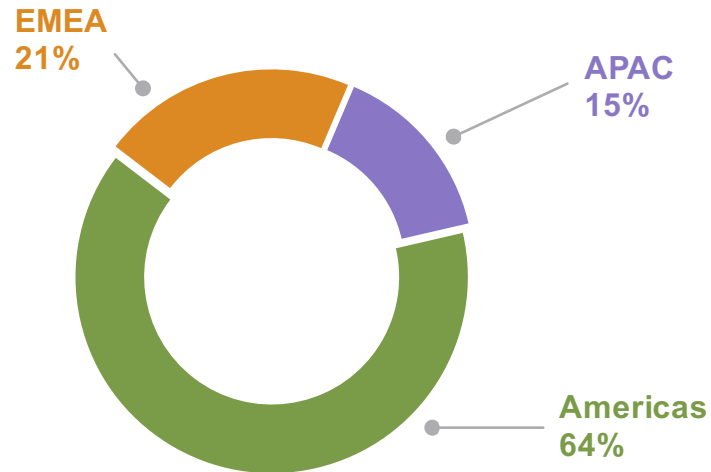
- ARR of \$35.6m at 31 Dec 2015
 - 23% growth vs Dec 2014 reported
 - 10% on a constant currency basis
- Customer retention rate of 87% by value

All points on this graph are calculated on a constant currency basis.

ARR split at 31 Dec 2015



ARR by Geography



ARR Growth by Geography

constant currency

Region	12 month % Change
APAC	36.5%
EMEA	32.4%
Americas	0.1%
Total	10.2%

Income statement summary – NZD 000

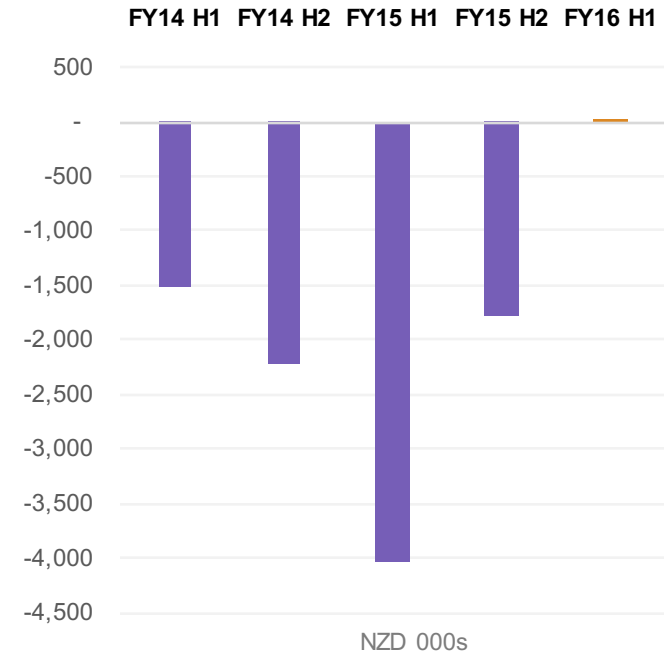
	Six months to 31-Dec-15	Six months to 30-Jun-15	Six months to 31-Dec-14
ARR (as reported Dec YOY 23% growth)	35,597	34,618	28,941
<i>ARR (constant currency Dec YOY 10% growth)</i>	<i>35,597</i>	<i>33,846</i>	<i>32,300</i>
Operating Revenue (30% increase on pcp)	17,367	14,784	13,342
Other Income	75	231	409
Total Revenue	17,442	15,015	13,751
Delivery Costs	4,094	3,835	3,376
Growth Costs	8,631	10,302	9,822
Other Costs	5,009	4,840	4,945
Exchange loss/(gain)	154	(529)	(275)
Total Costs (nil increase on pcp)	17,888	18,448	17,868
Loss Before Tax	(446)	(3,433)	(4,117)
Gross Margin	76.4%	74.1%	74.7%

Cashflow – NZD 000

	Six months to 31-Dec-15	Six months to 30-Jun-15	Six months to 31-Dec-14
Receipts from customers	18,109	14,969	12,969
Payments made to suppliers and employees	(18,354)	(16,875)	(17,318)
Other net cash flows from operating activities	91	247	370
Cash flows from operating activities	(154)	(1,659)	(3,979)
Cash flows from investing and financing activities	178	(118)	(51)
Net increase/(decrease) in cash and cash equivalents	24	(1,777)	(4,030)
Opening cash balance	5,582	7,359	11,389
Closing cash balance	5,606	5,582	7,359

Cash position

- Cash of \$5.6m at 31 December
 - Cash movement was materially neutral for the last 6 months
 - Favourable to our internal forecasts
- Carefully managing costs
- Expect cash balance to decrease in short term
- Focused on becoming cash flow break-even while growing
- We have sufficient cash for our current plans without additional capital raise



Our plans

Short term business objectives



➤ 1

Accelerate growth in existing markets

- Return Americas to growth
- Increase growth in other regions
- Cost effective pipeline generation
- Fine tune sales processes

➤ 2

Improve retention

- Ensure our customers understand the value we bring
- Improve customer management processes
- Continue product innovation

➤ 3

Cash breakeven

- Carefully manage costs
- Additional spending planned may decrease cash balance in short term
- No new capital required to achieve cash breakeven

Growth-driving initiatives



- Improving our selling machine
 - On-boarded Chief Revenue Officer and VP of Customer Success
 - Marketing initiative for diverse global campaigns to increase demand creation focused at mid-market and higher
 - Focus on improving conversion of demand creation into sales pipeline
 - Improve overall sales pipeline performance
 - Improve average sale price, moving up market and selling the value of the suite
 - Improve customer on-boarding experience driving decreased time to value
 - Take actions to improve customer retention from current level of 87% to historical levels at 90%
- Product innovation
 - Continuous improvement in performance and features of our award winning suite of products
 - Maintain lead as best-of-breed SaaS site search offering

Summary

1. \$35.6 million in high margin recurring revenue with good retention rates
2. Have added highly skilled and experienced executives to our team
3. A great global market to compete in
4. An innovative, customer proven, independent industry acknowledged product set
5. More than 600 customers with more than 1000 sites in operation around the globe today
6. Taking action to accelerate our growth
7. Sufficient cash to support our plans without an additional capital raise



Q&A

Appendices

Appendix I – ARR by region (\$000)



ARR by region at reported currency	Dec-15	Jun-15	Dec-14	YOY
Total ARR	35,597	34,618	28,941	23%
Americas	22,748	22,630	19,896	14%
Europe	7,607	7,320	5,277	44%
Asia/Pacific	5,242	4,668	3,768	39%

ARR by region at constant currency	Dec-15	Jun-15	Dec-14	YOY
Total ARR	35,597	33,846	32,300	10%
Americas	22,748	22,513	22,714	0%
Europe	7,607	6,904	5,747	32%
Asia/Pacific	5,242	4,429	3,839	37%

Appendix II - Accounting definitions

- Gross margin of 76.4% is calculated as operating revenue less delivery costs
- Delivery costs are made up of
 - Hosting costs
 - 70% of client facing engineers (wages associated with support)
 - 70% of customer support group (wages associated with support)
 - 20% of engineering development wages
 - Partner payments
- There is a total of 1.1m of wages costs in the engineering development team
 - All of this is expensed



Thank you