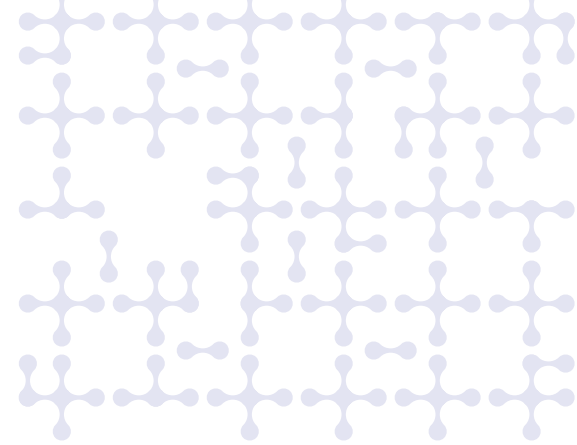




Annual Meeting
16 October 2014

Agenda



- 1 Welcome and introductions
- 2 Chairman's address
- 3 A few words from the Directors
- 4 CEO's report
- 5 CFO's report
- 6 Resolutions
- 7 General business
- 8 Reception

Chairman's Address



Greg Cross

Results generally meeting or exceeding expectations

Exceeded forecast

- Loss before tax \$5.9m (\$7.1m loss forecast)
- Cash of \$11.4m (\$7.3m forecast)

In line with forecast

- Operating revenue \$22.1m (\$22.2m forecast)
- Customer retention rate 90% (91% forecast)

Below forecast

- ARR of \$24.9m (\$25.9m forecast)

2014 Highlights

› **#1**
SaaS search
provider

› **8.4%**
of top 1000
U.S. retailers

› Launched
2
new SaaS
offerings

› **10**
new languages

› **29.4%**
ARR growth

› **4**
industry awards won in
the last 12 months

Board focus

Near-term performance

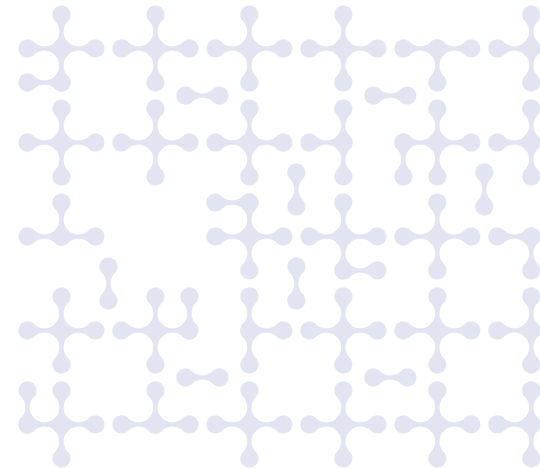
- Sales performance and leadership
- U.S. growth
- Capability and capacity
- Product innovation

Longer-term performance

- Processes for scaling
- Geographic expansion
- Potential for targeted acquisitions

Managing risk

- Talent
- Transitions
- Capital allocation



Our board



Greg Cross
Chairman



Dr Shaun Ryan
Chief Executive Officer



Steven Marder



Andy Lark
December 2013



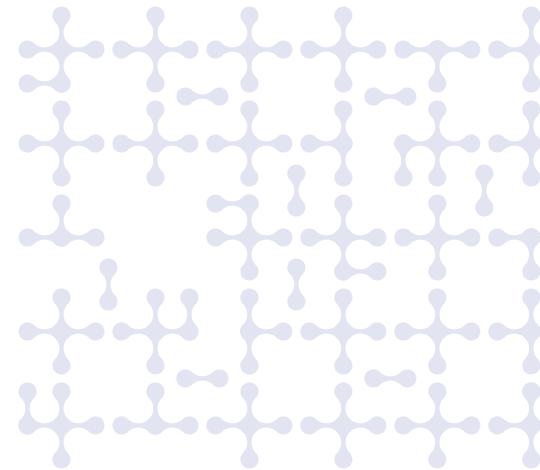
Sam Knowles



Sarah Smith



Matthew Houtman

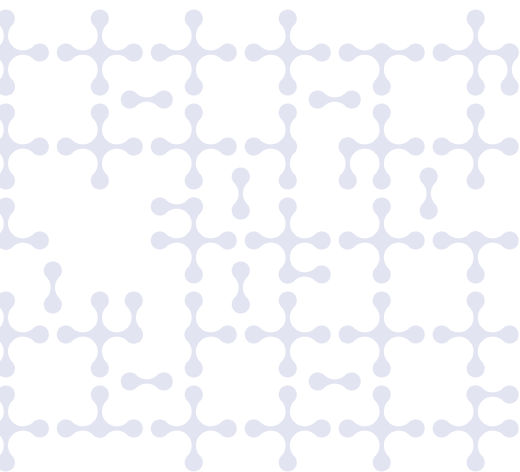


CEO's Report



Dr Shaun Ryan

Customer testimonial



E-commerce is a trillion dollar growing market

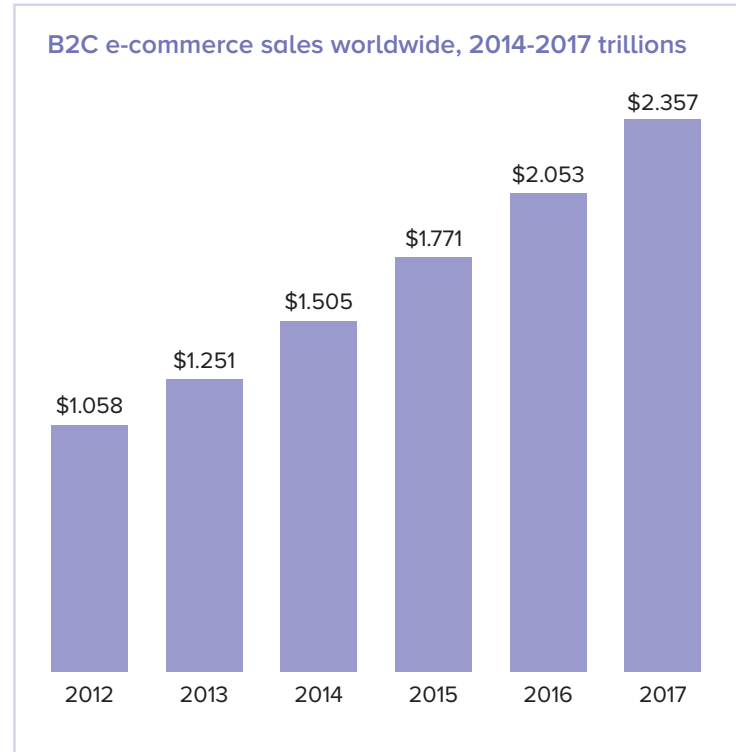
E-commerce is a large, fast-growing market

- 17% CAGR
- 110,000 e-commerce sites generating revenue of meaningful scale*

SLI's current markets:

- North America
- UK
- South America
- Australasia
- Japan

*Source: RJ Metrics 2014  RJMETRICS



Source: eMarketer, January 2014



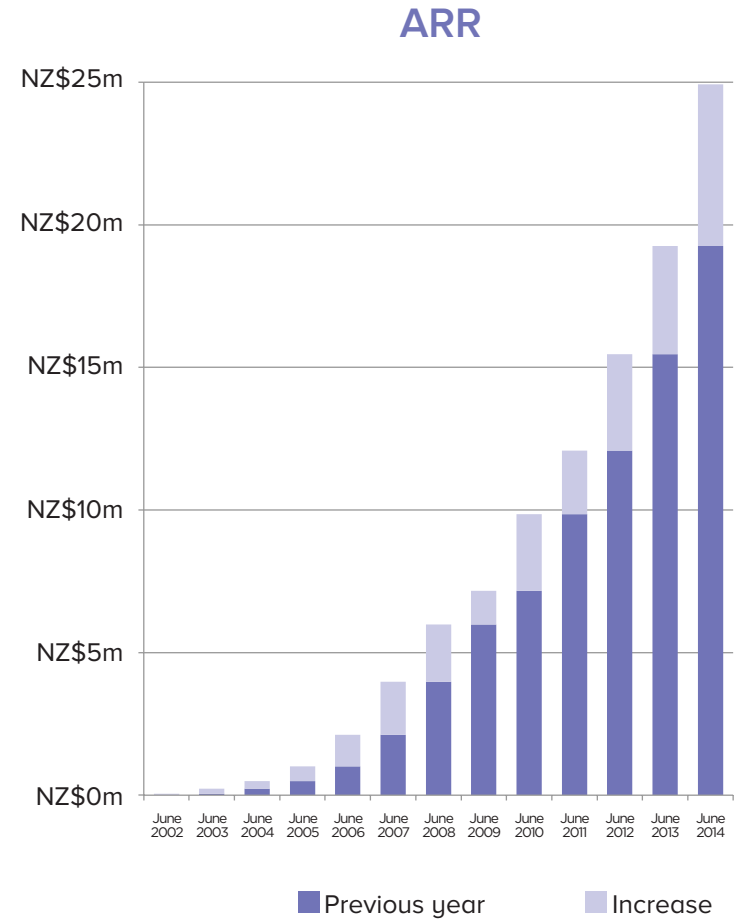
Goal: grow high margin recurring revenue

Accelerate e-commerce for the fast-growing online business segment

Grow shareholder value through growing Annualised Recurring Revenue¹ (ARR):

- That is high margin (75%)
- That has a high retention rate (90%)

1: Annualised Recurring Revenue, a non-GAAP financial performance measure used internally by SLI that represents the annualised monthly recurring revenue from SLI's customers for its Learning Search and related products and its Site Champion product on an assumed constant currency basis using the PFI exchange rates. ARR does not include revenue from SLI's related search product, which it does not actively promote.



SLI makes e-commerce easier

With SLI, online retailers' products easier to find

- Better site search and navigation on all devices
- Better visibility in Google and other search engines
- Product recommendations

SLI increases online retailers' revenue

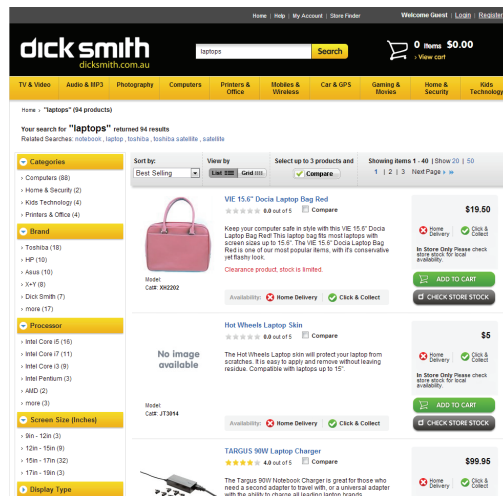
- If people can readily find what they want, they are more likely to buy

e-commerce
accelerated

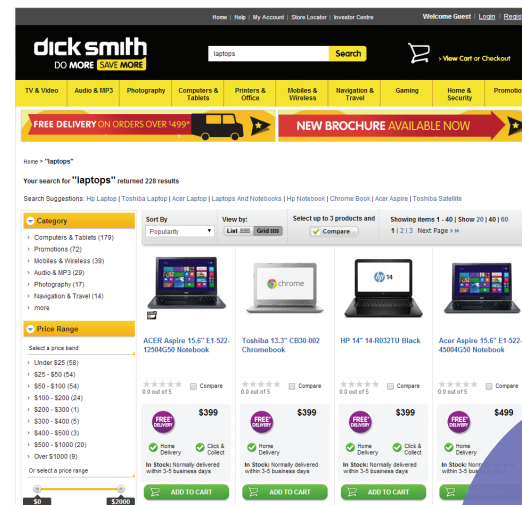


SLI's key revenue stream is **Learning Search**

Before



After



better
search
= more
revenue



30% increase in revenue

conversion rates increase from **3.7% to 6%**
in one year

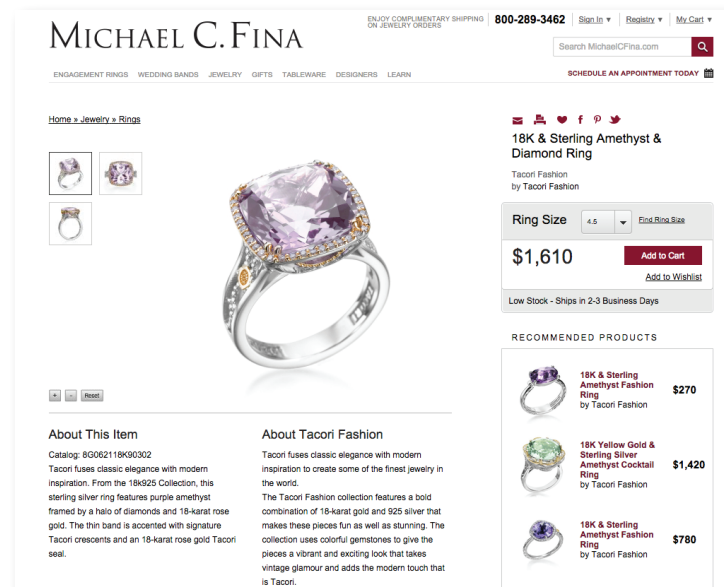


new

Learning Recommendations boosts revenue

- Automatically generated product recommendations
- Customized strategies
- Learning improves relevance

relevant
recommendations
= more
revenue



zachys
WINE AND LIQUOR, INC.

10% increase in average order value



new

Dynamic Product Banners increases conversions

- Show a broader range of products when people visit a product page from Google or other search engine
- Increased conversions by over 10%

Google search results for "pinot noir wine glasses" showing various product listings. A red box highlights a listing for "Riedel Vinum Pinot Noir/Burgundy Wine Glasses (Set of 2 ...)" from wineenthusiast.com. A red arrow points from this listing to a screenshot of the wineenthusiast.com product page, which features a dynamic banner showing a variety of wine glasses. A blue callout bubble points to the banner with the text "improved conversions = more revenue".

Significant customer wins in FY 2014

FRENCH
CONNECTION

claire's

GREAT PLAINS
LONDON



HARRODS ESTATES
LUXURY PROPERTY AGENTS

SPORTS
AUTHORITY®

SUPERCHEAP
AUTO

AMART
SPORTS

title nine

rebel

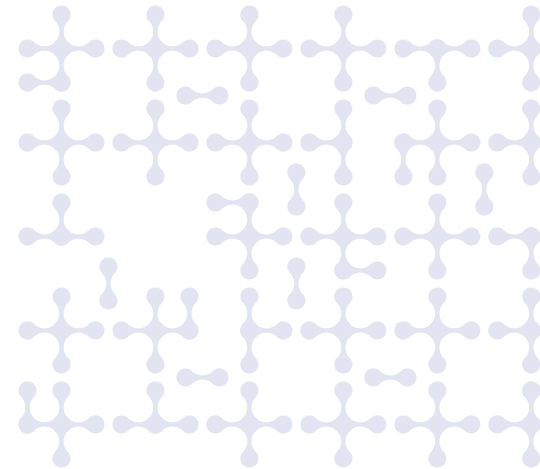


 **pantofrio.com**

AÉROPOSTALE

#1 SaaS site search provider

Vendor	2013	2014	SaaS offering
Oracle/Endeca	113	112	No
SLI Systems	73	84	Yes
Nextopia	44	48	Yes
Adobe	42	40	Yes
Google	37	35	No



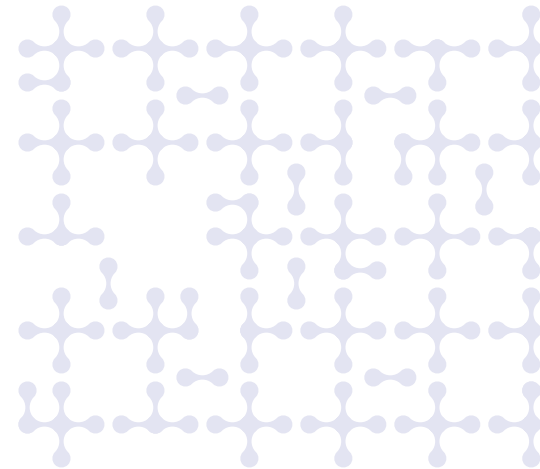
Close customer relationships drive growth

Our customer service model is unique

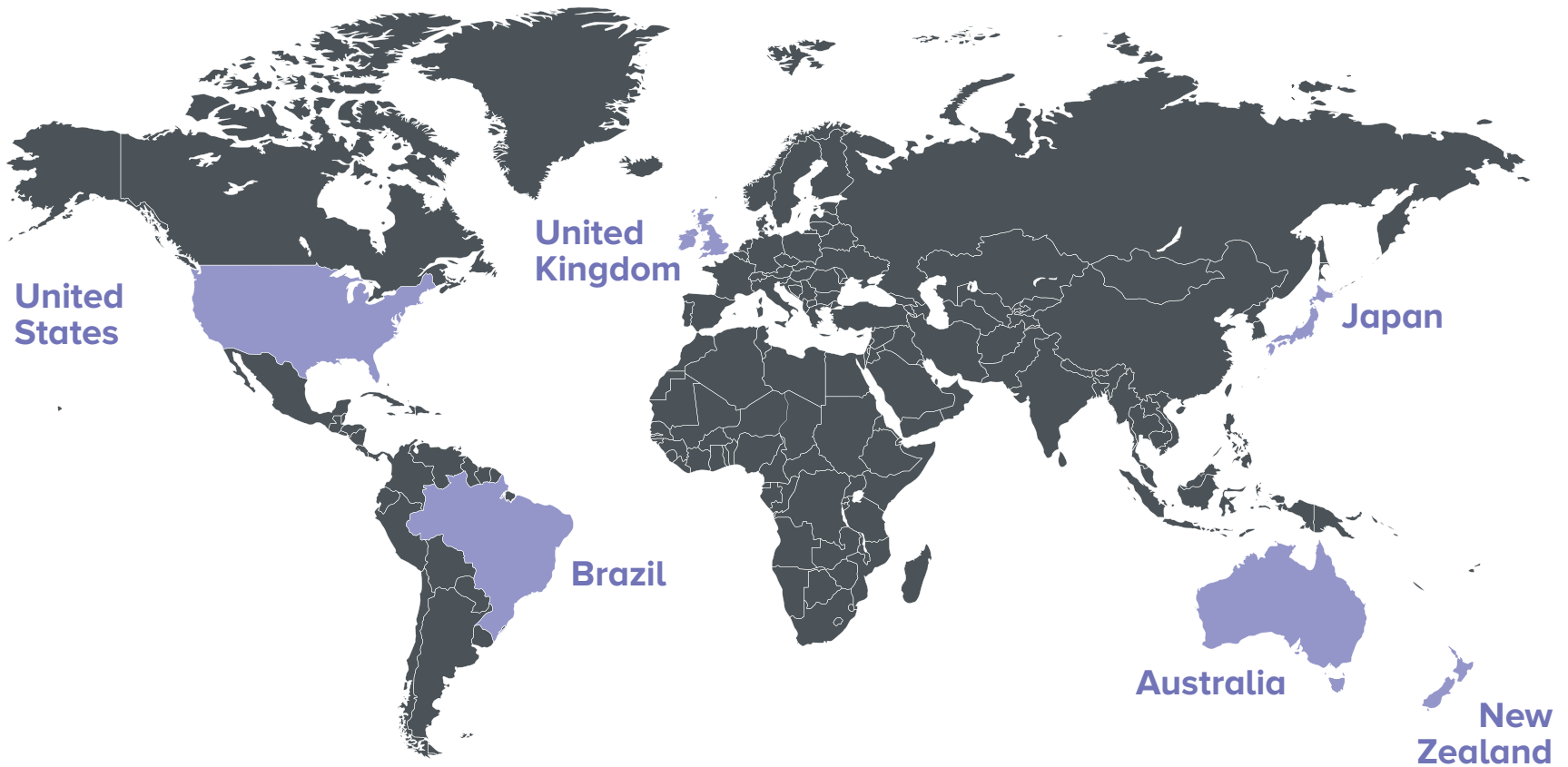
- Charges are built into the monthly cost
- Customers get a dedicated Customer Success Manager
- We are one of the most responsive vendors in the industry
- Our service draws on an ever-improving set of best practices
- We ensure customers get value from our products

We foster customer advocates

- Customer-driven product innovation
- Product suggestions from customers
- A willing pool of beta customers
- Expanded product range delivered through our unique service model



Growing our worldwide team



SLI Connect



U.S., UK and Australia

“I was extremely impressed with the knowledge of the team. I appreciate...

- SLI really understands the future of e-commerce
- SLI continues to improve and invest in its products”

- Gavin Tripp, CEO, 2 Wheel Parts Supply

Award-winning technology



**Retail Touch Points
Channel Innovation
Award 2014**



**eCommerce
Awards for
Excellence 2014
London**



**Online Retail
Industry Awards
(ORIA) Australia**



**World Retail
Awards Paris**

Growth strategies

1.

Accelerate U.S. growth

- Adding experienced sales leadership
- Benefiting from new marketing leadership
- Building a high performance sales team through structured training and better processes

2.

Increasing revenue from existing customers

- Focus on upselling additional products
- Introduction of new products

3.

Opportunities in new markets

- Continued investment in Japan with large potential
- 16 languages supported

e-commerce accelerated

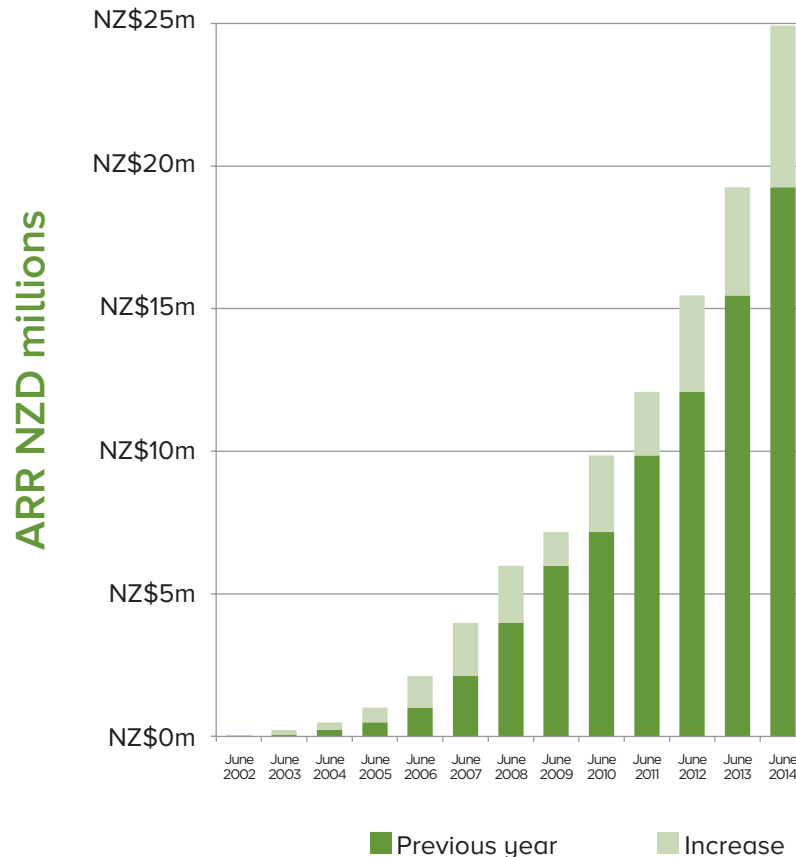
CFO's Report



Rod Garrett

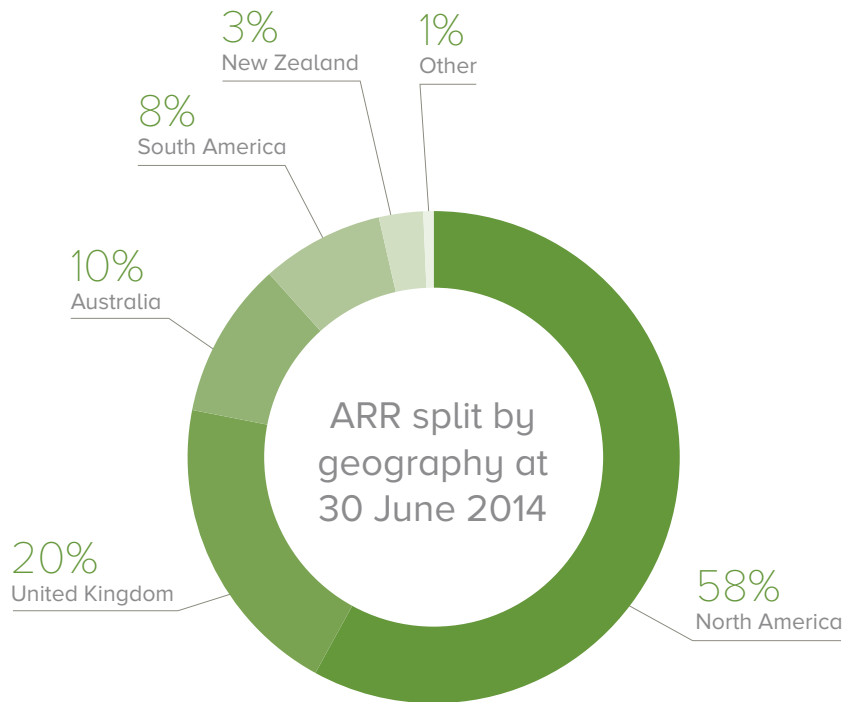
Annualised Recurring Revenue (ARR)

Historical ARR at June each year



- ARR of \$24.9m at 30 June 2014 (29.4% growth over 12 months)
- 96.3% of PFI target of \$25.9m
 - Slower sales and marketing recruitment
 - Recruiting new sales leadership
 - Recruited sales trainer
 - Investing in HR to accelerate recruitment
- Constant PFI exchange rates used

ARR split at June 2014



ARR growth by geography

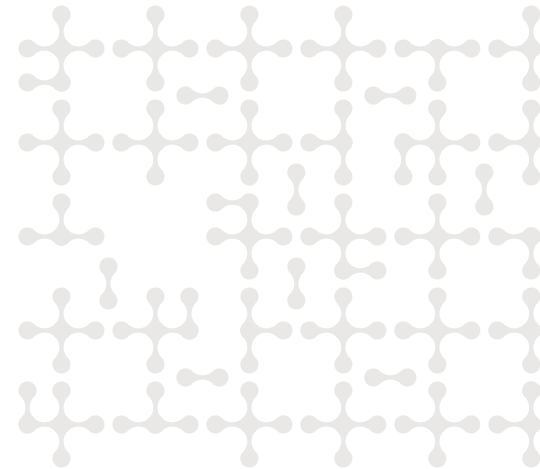
Region	Percentage increase in ARR in last 12 months
South America	95.1%
United Kingdom	45.4%
Australia	22.6%
North America	22.3%
Other	7.8%
Total	29.4%

Income statement

NZ \$'000	Full Year FY14	Full Year FY14 per PFI	Variance
ARR	24,900	25,900	(1,000)
Operating revenue	22,117	22,200	(83)
Other income	751	500	251
Delivery costs	5,618	5,745	127
Growth costs	14,608	15,876	1,268
Other costs	8,555	8,161	(394)
Total costs	28,781	29,782	1,001
Loss before tax	5,913	7,082	1,169
Gross margin	74.6%	74.1%	0.5%

A great return on growth costs

- Average customer value ARR of \$48,000 per annum
- Margin of 75%
- Retention rate of 90% => average customer lifetime of 10 years
- Lifetime value of $\$48,000 \times 75\% \times 10 \text{ years} = \$360,000$
- Average S&M cost of customer acquisition of \$57,000
- Ignoring discount factor return of >6x



Cash flow

NZ \$'000	FY14	PFI June 14	Variance
Loss before tax	(5,913)	(7,082)	1,169
Movement in Working Capital	744	(494)	1,238
Net proceeds from capital investment	1,427	334	1,093
Capital expenditure including depreciation	(251)	(504)	253
Net increase (decrease) in cash and cash equivalents	(3,993)	(7,746)	3,753
Opening cash balance	15,382	15,066	316
Closing cash balance	11,389	7,320	4,069

Resolutions

Resolution 2a

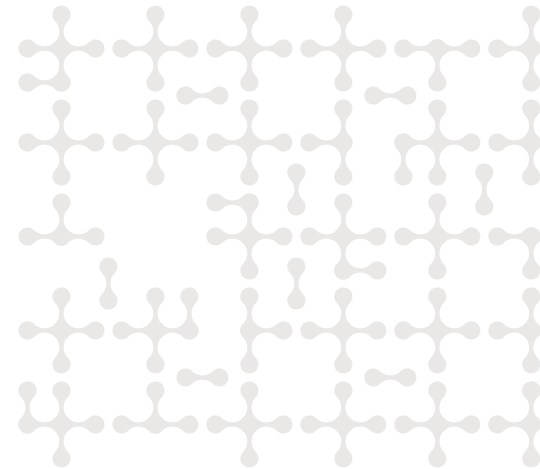


➤ That Sarah Smith be re-elected a director of the company.

Resolution 2b



- That Matthew Houtman be re-elected a director of the company.



Resolution 2c



➤ That Andrew Lark be elected a director of the company.

Resolution 3

- That PricewaterhouseCoopers be reappointed as the company's auditors to hold office from the conclusion of this meeting to the conclusion of the next annual meeting and the directors be authorised to fix the remuneration of the auditors for the ensuing year.

Resolution 4

- Subject to the resolution set out in Item 2(c) being passed by the shareholders, that, for the purposes of NZX Main Board Listing Rule 7.6.5, the company is authorised to provide financial assistance by way of a limited recourse loan of \$200,000 to Andy Lark, to enable him to fully pay up the 107,527 unlisted redeemable shares in the company issued in December 2013 at the issue price of \$1.86 per share with the 107,527 unlisted redeemable shares in the company being reclassified as ordinary shares in the company upon full repayment of the loan.

General Business and Questions



Thank you.