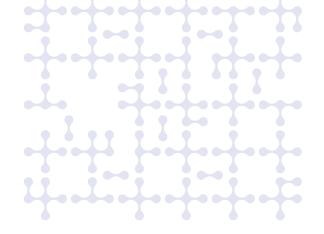


Annual Meeting 16 October 2014



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





Greg Cross

Chairman's Address



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Results generally meeting or exceeding expectations

Exceeded forecast

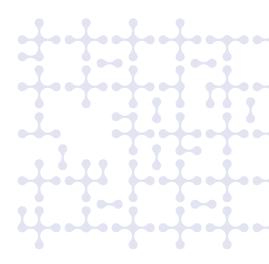
- Loss before tax \$5.9m (\$7.1m loss forecast)
- Cash of \$11.4m (\$7.3m forecast)

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

SaaS search provider

Launched 2 new SaaS offerings > 8.4% of top 1000 U.S. retailers

new languages

> 29.4% ARR growth

he last 12 months



Board focus

Near-term performance

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

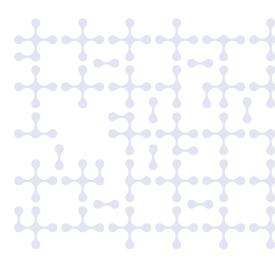
Longer-term performance

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

Managing risk



- Transitions
- Capital allocation





Our board



Greg Cross Chairman



Dr Shaun Ryan Chief Executive Officer



Steven Marder



Andy Lark December 2013



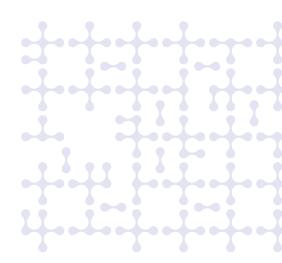
Sam Knowles



Sarah Smith



Matthew Houtman





CEO's Report

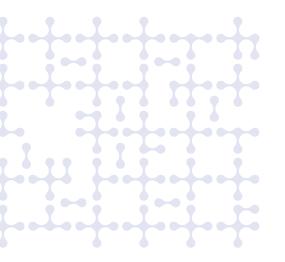


Dr Shaun Ryan



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Customer testimonial





E-commerce is a trillion dollar growing market

E-commerce is a large, fast-growing market



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

SLI's current markets:

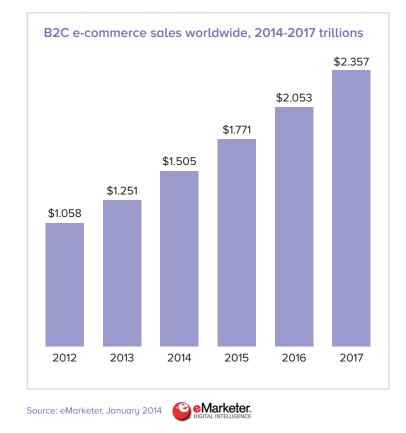


- > UK
- > South America
- **A**ustralasia
- > Japan

*Source: RJ Metrics 2014

RJMETRICS



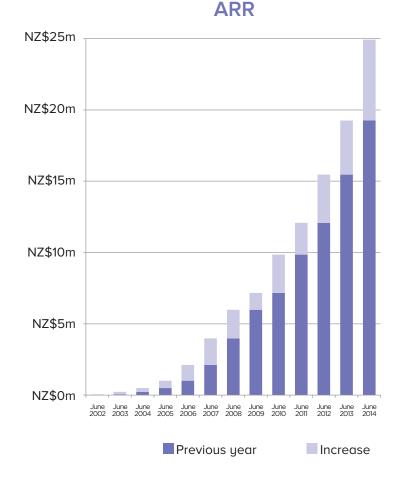


Goal: grow high margin recurring revenue

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

dicksmith

Your search for "laptops" returned 228 results Search Suggestions: Hp Laptop |

DO MORE

FREE DELIVERY Harre > "Taptops"

Computers & Tablets (179) Promotions (72) Mobiles & Wireless (39 Audio & MP3 (29)

Photography (17)

Select a price band

Under \$25 (58) \$25 - \$50 (54) \$50 - \$100 (54)

\$100 - \$200 (24) \$200 - \$300 (1)

\$300 - \$400 (5) \$400 - \$500 (3) \$500 - \$1000 (20

Over \$1000 (8) Or select a price ran

Navigation & Travel (14 more 👻 Price Range

Before

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TV & Video Audio & MP3 Ph	computers	Printers & Office	Mobiles & Wireless	Car & GPS	Gaming & Mories	Home & Security	Kids Technology	
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> Home & Security (2)								
> Kids Technology (4)	\cap		ia Laptop Bag					
> Printers & Office (4)		*****	u0 out of 5 🔲	Compare			\$19.50	
Brand	Cia (Keep your com	puter safe in sty	le with this VIE 15	6" Docia	O Home	Click &	
> Toshiba (18)		screen sizes u	p to 15.6". The V	ag fits most laptor IE 15.6" Docia La	ptop Bag			
> HP (10)		Red is one of o yet flashy look.	ur most popular	items, with it's co	inservative	In Store Only Pl store stock for is availability.	lease check Ical	
> Asus (10)		Clearance prov	duct, stock is lim	ited.				
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> Dick Smith (7)	Cole: Am2202	Availability:	🕄 Home Delive	ry 🕜 Citck &	Collect	CHECK STO	DRE STOCK	
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> Intel Core i5 (16)		*****	u0 out of 5 👘	Compare			\$5	
> Intel Core i7 (11)	No image	The Hot Wheel	s Laptop skin w	Il protect your lap	top from	O Home Delivery	Click &	
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> Intel Pentium (3)						In Store Only Pl store stock for is availability.	lesse check Ical	
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> 9in - 12in (3)								
> 12in - 15in (9)			/ Laptop Char					
> 15in - 17in (32)		*****	JO out of 5 🛛 🗎	Compare			\$99.95	
> 17in - 19in (3)		The Targus 90	W Notebook Chi	arger is great for t	hose who	O Home	Clock &	
Display Type	1 2 2 3 3	need a second	adapter to trave	with, or a univer- sing laptop brand	sal adapter	Delivery	Collect	

After

View by: • List :== Grid IIII

ACER Aspire 15.6" E1-522- Toshiba 13.3" CB30-002

Click & Home Colect Delivery

2584G58 Note

Search

Computers & Printers & Mobiles & Navigation & Gaming Home & Tablets Office Virreless Travel Security NEW BROCHURE AVAILABLE NOW

Compare

C chrom

> View Cart or Ch

Select up to 3 products and Showing items 1 - 40 | Show 20 | 40 | 60

60.1

HP 14" 14-R032TU Black

In Stock: Normally delivered within 3-5 business days

1|2|3 Next Page > H

Acer Aspire 15.6" E1-52 45004G50 Notebook ***** Compare ***** Compare ***** Compare ***** Compare 0.0 out of 5 FREE Home Click & Home Delivery In Stock: Nor within 3-5 buy better search = more revenue



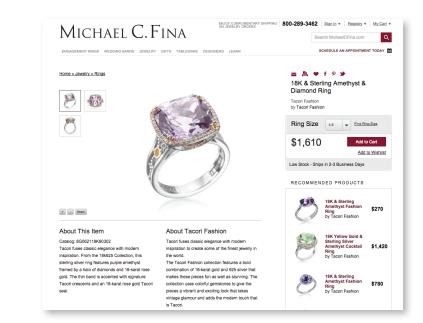
30[%] increase in revenue

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





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



relevant recommendations = more revenue



10[%] increase in average order value



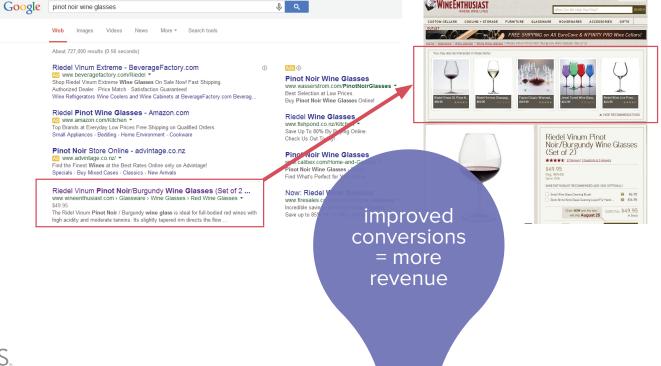
new

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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%





new

Significant customer wins in FY 2014

FRENCH CONNECTION







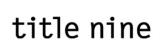


HARRODS ESTATES LUXURY PROPERTY AGENTS











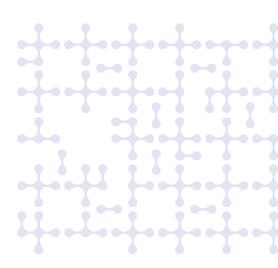


pontofrio.com **AÉROPOSTALE**



#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





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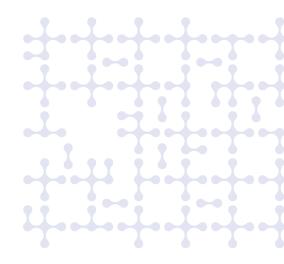
Close customer relationships drive growth

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 everimproving set of best practices
- We ensure customers get value from our products

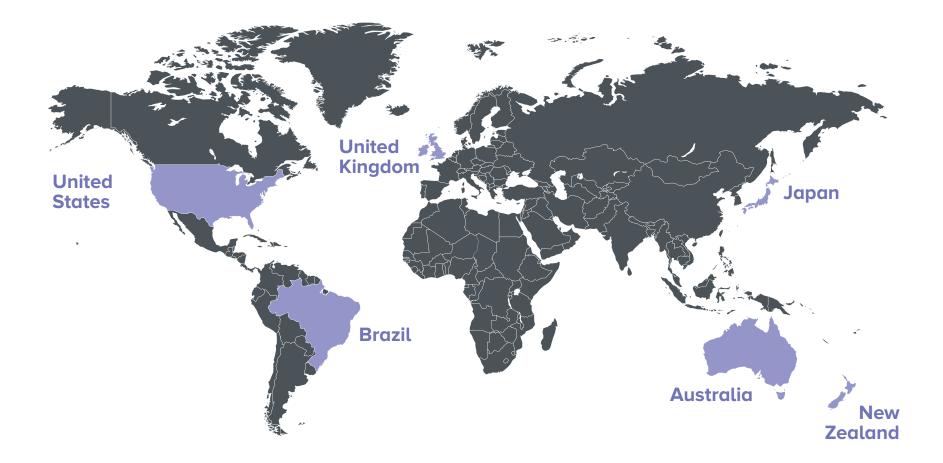
We foster customer advocates

- 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



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





Increasing revenue from existing customers

- Focus on upselling additional products
- Introduction of new products

e-commerce accelerated



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

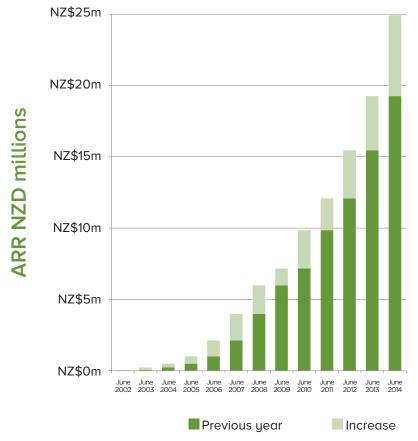
CFO's Report



Rod Garrett



Annualised Recurring Revenue (ARR)

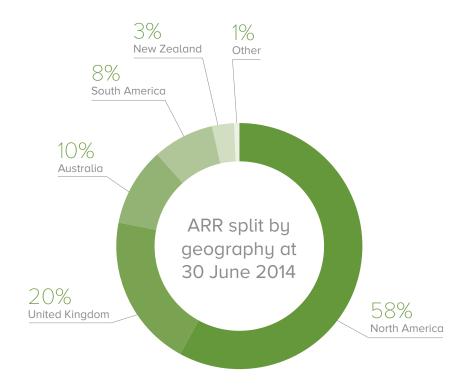


Historical ARR at June each year

- 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%



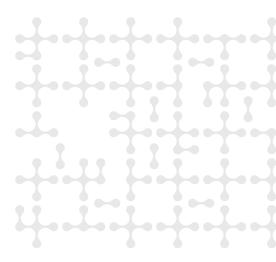
Income statement

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 x 75% x 10 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



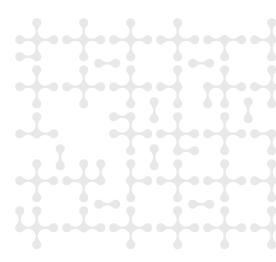
Resolutions



Resolution 2a



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

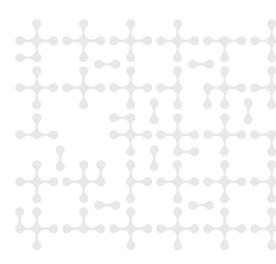




Resolution 2b



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

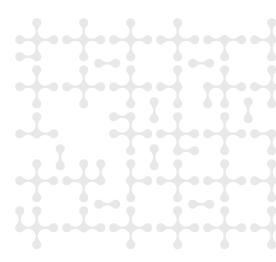




Resolution 2c



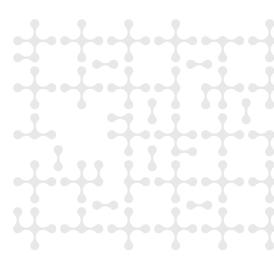
> That Andrew Lark be elected a director of the company.





Resolution 3

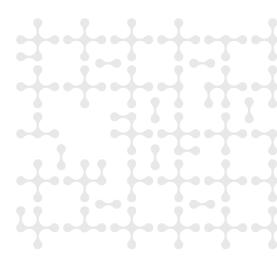
That PricewaterhouseCoopers be reappointed as the company's auditors to hold office from the conclusion of this meeting to the conclusion of the next annual meeting and the directors be authorised to fix the remuneration of the auditors for the ensuing year.





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



