

Market Release

4 August 2021

TRADING AND BOOKING.COM FOR BUSINESS MIGRATION UPDATE

Serko Limited (NZX/ASX:SKO), a leader in online travel booking and expense management technology, today provided an update to keep the market informed of current trading conditions and the 'Booking.com for Business' platform migration.

Trading Conditions Update

Trading conditions remain volatile due to the global impacts of Covid-19 and ongoing travel restrictions, particularly in the Australian market.

New Zealand domestic travel bookings have remained strong at 166% of 2019 volumes¹ for the month of June and 137% of 2019 volumes for the month of July². However, Australian domestic travel bookings dropped from 56% of 2019 volumes in June to 35% of 2019 volumes in July due to the further tightening of inter-State travel restrictions within Australia in response to the increase in Covid-19 cases in some States.

Serko's CEO, Mr Grafton said: "We planned for further lock-downs to occur in our core markets during the current financial year as vaccination programmes progressively roll out and we have factored these disruptions into our capital management plans. As such, we continue to target an average monthly cash burn of between \$2 million and \$4 million despite the persistent Australian lock-downs. We remain optimistic that Australasian travel bookings will revert to the levels seen at their peak in April 2021 once the travel restrictions in Australia lift, based on previous recovery trends."

Booking.com For Business Migration

The migration of companies to the new Zeno powered, 'Booking.com for Business' platform is progressing well, and we currently have over 150,000 activated existing businesses on the new platform.³

Booking.com and Serko have agreed the migration phase will be extended two months, beyond the original expected end-date of 31 July 2021, to transfer the remaining business customers onto the new platform.

Mr Grafton said: "Actively migrating a customer base that is experiencing disrupted travel activity due to the pandemic was always going to be challenging. We are pleased to see this volume of businesses activate their

¹ As of March 2021, Serko has been benchmarking current transaction volumes against 2019 volumes as we believe this provides a more meaningful indication of the resumption of travel by business travellers. This is because Covid-19-related travel restrictions began to materially impact Serko's transaction volumes from mid-March 2020.

² July is traditionally seasonally affected by the school holidays in both New Zealand and Australia.

³ As previously noted to the market, SME business booking behaviours will be different from our enterprise customers and it is uncertain when, and how often, migrated customers will transact, particularly during Covid-affected periods, and activations will not necessarily translate immediately into bookings.

account notwithstanding the pandemic and related travel restrictions that have been and, to varying degrees, remain in place."

"We're incredibly proud of how the Serko and Booking.com teams have come together to plan for and execute the migration phase. Following completion of the migration we will move into an engagement phase, which will be timed with an expected return to travel by businesses following the European summer break and supported by the widespread global vaccination programmes."

"In line with expectations, the majority of revenue to be generated in FY22 from the new Zeno powered Booking.com for Business platform will be back-ended to the second half of the financial year."

"We will provide a further update on the migration process at Serko's Annual Meeting, to be held on 18 August 2021", Mr Grafton said.

Ends

For and on behalf of Serko Limited by Sarah Miller, General Counsel & Company Secretary

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