

## Market Release

3 February 2022

### Trading Conditions Update

Serko Limited (NZX/ASX: SKO) has provided an update on trading conditions. Since Serko released its FY22 Half-Year Results Announcement on 24 November 2021, the Omicron variant of Covid 19 was detected in South Africa and has subsequently become widespread in other countries, impacting business travel globally.

Serko continues to execute on its strategy, however, the rapid spread of Omicron and related restrictions has reduced business travel volumes in key markets and expected revenues for the full-year to 31 March 2022.

The potential for volatility in revenues due to the ongoing influence of Covid and its variants was one of the reasons for Serko undertaking a capital raise in 2021, which was focussed on ensuring Serko had sufficient capital to continue to innovate its global offering, acquire new customers and support its existing customers.

Business travel volumes in December and January normally experience a seasonal reduction in booking volumes during the holiday season, however, in the current year this reduction in volumes has been exacerbated by travel disruption caused by the Omicron variant.

For December and through the seasonal holiday period up until mid-January, Booking.com for Business volumes were significantly adversely affected by the Omicron variant. Over the last week, Booking.com for Business volumes have recovered to approximately 90% of October 2021 volumes.

In Australia and New Zealand revenues were in line with expectations up to the end of December 2021, however, volumes dipped below anticipated volumes at the start of January. While we are seeing some early signs of recovery in Australia, demand in New Zealand has been significantly affected, particularly over the last week of January.

In light of the ongoing volatility resulting from the impacts of Omicron on business travel across global markets, Serko is adjusting its guidance range for revenue for the full-year to 31 March 2022 to between NZ\$18 million and NZ\$20.5 million, from NZ\$21 million and NZ\$25 million.

The low end of the range assumes the volumes in each market over February and March are materially lower than the volumes in the last week of January due to increased Omicron impacts.

The high end of the range assumes a gradual continuation of the improving trend in transaction volumes driven by normal seasonality, and recovery of business volumes from Booking.com for Business and within the Australian market as Omicron related disruptions reduce in those markets. Our expectation is that the recovery in booking volumes will be partially offset by lower New Zealand bookings as this market experiences the impacts of Omicron.

Average monthly cash burn in the six months to 31 March 2022 is expected to be close to \$4 million, consistent with the guidance provided in November 2021.

ENDS

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