

Nustay issues a market update on developments since the onset of the COVID crisis

Nustay A/S ("Nustay") has today issued a market update detailing the Company's actions and developments since the onset of the COVID-19 crisis. The update sets out that during this period Nustay paused all marketing activities and has focused entirely on developing and improving its website, booking platform, marketing partnerships and hotel portfolio. The update further presents how these developments position the Company to meet the slowly increasing market demand and likely changes to consumer behaviour in the post-COVID world.

Continued development since the onset of the COVID-19 crisis

The rapid spread of COVID-19 between end-March and early-April 2020, quickly brought the travel and tourism industry to a standstill. In order to curb the virus's spread governments across the globe introduced restrictive measures, commencing with the closure of borders and culminating with complete or partial 'lockdowns' at home. The effects of these measures have seen the travel and tourism industry become amongst the biggest casualties of the COVID-19 crisis.

Nustay has not been immune to the huge challenges that the collapse in consumer spending has presented. However, the Company has met these challenges pragmatically, and has used the downtime to draw greater focus on improving the website, booking platform and several new partnerships. Specifically, shortly after the widespread introduction of travel restrictions, Nustay introduced a package of contingency measures. These can be broken down threefold: (i) pausing all marketing activities; (ii) cost optimisation, including a permanently 50% reduction in burn rate, primarily driven by layoffs, and the restructuring and streamlining of the Company's customer services division; (iii) strong focus on product and platform improvements (see list below). The aims of these measures are to ensure the company is able to meet the challenges of the suppressed travel market, and, be adequately prepared to meet future demand, including the changes to consumer behaviour ushered in by the pandemic.

Implemented developments

Below follow some of the visible developments which have been or are currently being fully implemented:

- **Launch of new domains.** Following the translation and localisation process, Nustay launched new domains in Hong Kong (hk.nustay.com), Taiwan (tw.nustay.com), Singapore (sg.nustay.com) and Macau (mp.nustay.com)
- **Redesign and update of Nustay's 'payment' page.** Using data gathered from user behaviour since the launch of the new website Q4 2019, Nustay further refined the Checkout page. The redesign improves flow, reduces the number of steps in the checkout process, and displays relevant booking information more clearly.
- **Implementation of 'Pay at hotel' option.** The option for customers not to be charged until arrival at the accommodation had hitherto not been available to Nustay customers.
- **Improvements to 'Contact' page and query process.** Using data gathered from user behaviour since the launch of the new website Q4 2019, additional features were added to the Contact page, and improvements were made to the process, e.g. including query text within automated email receipt.
- **Addition of Alternative Payment Methods.** In keeping with changes in consumer behaviour, Nustay is rolling out alternative payment methods (non-card payments). During this period the Company introduced the following: 'ideal' (used principally in the Netherlands), 'Webmoney' (used widely in Russia and Ukraine), 'P25' (used widely in Poland), 'Alipay D1' (popular across Asia).
- **Improved internal content development process.** Following an efficiency assessment, Nustay implemented a new content development process which standardises the process and allows for better inter-departmental communication throughout the process.
- **Redesign and improvements to 'Hotel details' page.** As the landing page from marketing, the 'Hotel details' page is being further refined to be conversion optimised. This includes a number of design and functional additions and improvements.
- **Introduction of Loyalty programme.** Nustay has now completed the design stage of its new Loyalty programme: 'Nustay Free Nights'. The programme offers subscribers a free night after 10 nights have been booked. The introduction of the programme brings new pages to the site, all of which have now finished the design stage and are in mid stages of development.
- **Direct integration with Agoda.** The Company has so far had Agoda's inventory indirectly integrated through an integration switch. However, in order to further optimise supplier engagement and integrations, a direct partnership has been assessed to be preferential.
- **TravelgateX integration.** The integration with TravelgateX will further expand Nustay's inventory globally, allowing Nustay to easily connect to a number of new hotel and vacation home suppliers.
- **Marketing with Trivago.** Nustay is at final stages of implementing its marketing within Trivago. This will open another important global marketing channel for Nustay's sales.
- **Marketing with 'Lookingforbooking'.** In a further addition to Nustay's marketing channels, the Company has partnered with Lookingforbooking metasearch site.
- **Integration of 'Hotel Scan' inventory.** Nustay completed the full integration with 'Hotel Scan' inventory, giving customers further access to holiday accommodation – to be launched in August.

Other improvements include a new API developed for the hotel search, not visible to the eye, but greatly improves the scalability of how many users that can be searching simultaneously around the world.

The developments in post-COVID context

As the virus has to some extent been brought under control, some government restrictions have been lifted – principally across Europe and East Asia. In these countries, governments have not only opened internal travel but introduced 'bubbles' or 'corridors' for international travel. These measures allow travel between selected countries and regions, but are fluid and updated constantly, presenting a challenge for longer-term travel arrangements and plans. Moreover, preventative measures, such as social distancing and the wearing of masks and gloves, remain in place, and in some cases have been made stricter. This all presents a new reality for travel, and likely not just in the short-term. Market research suggests that consumers expect the measures to be in place post-2021 and are basing decisions on this premise, by, for example, booking out-of-city accommodation and opting for refundable booking options.

For these reasons, Nustay has sought to push for the developments highlighted above. The Company believes that the specific improvements to the site and the expansion of inventory are in line with post-COVID-19 consumer expectations. Making the booking process clearer and simpler with alternative payment options, including paying at hotel, will establish further trust with the consumer. Similarly, offering customers a wider selection of accommodation types and locations will further facilitate choice.

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This information is information that Nustay A/S is obliged to publish following the EU Market Abuse Regulation. The information was provided by the contact person above for publication on July 15th, 2020.

About Nustay:

Nustay is a Danish online hotel booking company established in 2014. The company has developed an innovative booking platform offering the lowest possible hotel prices while also enhancing customer's booking experience. Nustay has set out an ambitious vision to become the global leader within the online hotel booking industry and is confident its large hotel room inventory, novel pricing strategy, and transparent booking process, will achieve that goal.

