

Safestay plc
("Safestay" or "the Company")
Acquisition of Hostel

Safestay (AIM: SSTY), the owner and operator of a new brand of contemporary hostel, is pleased to announce that it has exchanged contracts to acquire a hostel in York, which will be re-branded to trade as Safestay, for a consideration of £2.35 million to be satisfied in cash.

The Hostel which operates from a freehold property is situated on Micklegate and comprises 160 beds. In its most recent financial year to 31 December 2013, it had unaudited turnover of £0.6 million derived from 45 per cent. occupancy. The property has been independently valued by Edward Symons at £2.6 million.

The consideration payable will be satisfied from a combination of the Company's own cash resources and a loan of £1.5 million to be provided by Bredbury Limited at an interest rate of 0.75 per cent. per month for eight months and 11 per cent. for the next four months.

Completion of the acquisition is expected to take place on 23 May 2014.

Larry Lipman, Chairman of Safestay, commented:

"We are delighted to be able to announce this acquisition of a hostel in York so soon after the admission to trading on AIM of Safestay on 2 May 2014. Furthermore, acquiring the Hostel as a going concern gives the benefit of an immediate revenue stream, while the building requires only minimal capex, mainly to be incurred in its re-branding as Safestay."

Enquiries

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