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2 May 2014

Safestay plc
("Safestay" or "the Company")

First Day of Dealings on AIM following £4.8m placing

Dealings due to commence at 8.00 a.m. on 2 May 2014.

Safestay, the owner and operator of a new brand of contemporary hostel, is pleased to announce that Admission and dealings in its Ordinary Shares will commence at 8.00 a.m. today on the AIM market of the London Stock Exchange. Upon Admission, dealings will commence under the TIDM code SSTY and the ISIN number is GB00BKT0J702.

The Company operates what is known as a "boutique hostel" within the travel industry, aimed at providing safe, stylish accommodation which offers a more attractive alternative to both traditional hostels and budget hotel accommodation.

Summary

- £4.8 million raised via the placing of 9,600,000 ordinary shares with institutional and other investors at a Placing Price of 50 pence per ordinary share (the 'Placing') and a further £2.8 million raised through the issue of Convertible Loan Notes
- Safestay's market capitalisation on Admission, at the Placing Price, is expected to be approximately £6.6 million
- The net proceeds of £6.65 million will be applied by the Company towards payment of the consideration due to Moorfield Funds (£6.2 million) for its interests in the Safestay business and to provide capital to fund the development of further hostels, building on the Safestay brand and reputation and enabling the Company to take advantage of the opportunities available to it
- Westhouse Securities is acting as Nominated Advisor and Broker to the Company

The Company's Admission Document can be found at: www.safestay.co.uk

Commenting on Admission, Larry Lipman, Chairman of Safestay, said:

"The IPO of Safestay marks an exciting milestone in the Company's development and will support us in our continued ambition to expand our hostel business.

"We view the support from investors as a strong endorsement of the Company's growth plans and we look forward to creating value for our new investors as we begin life as a public company."

Enquiries

Safestay

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IMPORTANT NOTICE

Defined terms used in this announcement have the same meaning as set out in the Company's admission document dated 29 April 2014.

This announcement does not constitute an admission document relating to the Company and does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company in any jurisdiction nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract therefore.

Recipients of this announcement who are considering acquiring shares following publication of the admission document are reminded that any such acquisition must be made only on the basis of the information contained in the admission document which may be different from the information contained in this announcement.

Westhouse Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company as Nominated Adviser and broker and for no-one else in relation to the placing and admission. Westhouse Securities Limited will not regard any other person (whether or not in receipt of this press release) as its client in relation to the placing and admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Westhouse Securities Limited or for providing any advice in relation to the flotation.

The shares have not been, nor will they be, registered under the US Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan, or South Africa. Subject to certain exceptions, the shares may not be offered or sold in the United States, Australia, Canada, Japan or South Africa or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Japan or South Africa or any person located in the United States. The offer of the shares and the distribution of this announcement in other jurisdictions may be restricted by law and the persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.

This announcement may include "forward-looking statements". All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's evaluation of the potential acquisition) are forward-looking statements.

Forward-looking statements are subject to risks and uncertainties and accordingly the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These factors include but are not limited to those described in the formal admission document.