

7 September 2015

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

**Result of Open Offer**

On 17 August 2015, Safestay (AIM: SSTY), the owner and operator of a new brand of contemporary hostel, announced the terms of a Placing and Open Offer to raise up to £9.34 million, a new £8.5 million debt facility and the issue of New Loan Notes to raise £1.0 million (all before expenses) to finance the proposed acquisition of a hostel in Edinburgh for £14.9 million and for working capital purposes.

The Placing and Open Offer comprised a firm placing of 13,467,742 new ordinary shares at 62p per share to raise £8.35 million (before expenses) and an open offer of 1,603,710 new ordinary shares at 62p per share to raise up to £0.994 million (before expenses) on the basis of 1 Open Offer Share for every 12 Existing Ordinary Shares held at the Record Date.

The Open Offer closed for acceptances at 11.00 a.m. on 4 September 2015. The Company received valid acceptances in respect of 264,115 Open Offer Shares under shareholders' Open Offer Entitlements and 33,081 Open Offer Shares under the Excess Application Facility. In aggregate, therefore, valid acceptances were received in respect of 297,196 Open Offer Shares, representing approximately 18.55 per cent. of the Open Offer Shares available, and raising £0.184 million for the Company (before expenses). As a result, the Company has raised a total of £8.534 million (before expenses) through the Placing and Open Offer.

All valid applications under the Open Offer have been met in full, including the Excess Shares applied for under the Excess Application Facility.

The Proposals are subject to the approval of Shareholders at a General Meeting to be held at 11.00 a.m. on 9 September 2015 at the offices of Dechert LLP, 160 Queen Victoria Street, London EC4V 4QQ.

The New Ordinary Shares will on Admission rank *pari passu* in all respects with the Existing Ordinary Shares. The New Ordinary Shares (in uncertificated form) are expected to be credited to CREST accounts on 10 September 2015 and definitive share certificates for New Ordinary Shares (in certificated form) are expected to be despatched to shareholders by 22 September 2015.

Following Admission and in accordance with the Financial Conduct Authority's Disclosure and Transparency Rules ("DTR"), the Company's issued share capital will comprise 34,219,134 Ordinary Shares. The above figure of 34,219,134 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the DTR.

All defined terms in this announcement have the same meaning as in the Company's admission document dated 17 August 2015.

**Larry Lipman, Chairman of Safestay, said:**

“As we announced on 17 August 2015, due to the size of the fund raising we decided to make the Open Offer available to all shareholders so they could participate if they so wished and to avoid being diluted. I would like to thank those participating shareholders for their support especially given it has been such a volatile period for the stock market.”

**Enquiries**

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**For more information visit: [www.safestay.com](http://www.safestay.com)**