

Safestay plc

(“Safestay”, the “Company” or the “Group”)

Acquisition of Brussels Hotel

Safestay (AIM: SSTY), the owner and operator of an international brand of contemporary hostels, is pleased to announce that it has acquired its eighth European property, currently operating as Hotel Opera in central Brussels, for €1.6 million.

Positioned on Rue Grétry just off Brussel’s famous Grand Place, considered one of the world’s most beautiful squares, the 50 bedroom property known as Hotel Opera, is an independent hotel that has been popular with visitors to the Belgian capital for over 30 years. Consistent with the Company’s strategy of acquiring properties that can be successfully developed into a Safestay hostel, Hotel Opera is well located and can be rebranded and converted into a 200 bed hostel relatively quickly.

The property is leasehold with a remaining term of five years and an option to extend to 2032. The total consideration of €1.6 million will be satisfied by a cash payment of €1.4m, from the Group’s existing cash resources, and the assumption of €200,000 of debt. The conversion of Hotel Opera is expected to complete by the end of January 2019 and cost c. €200,000.

The Group’s portfolio now consists of:

- 12 premium hostels located in Brussels, Paris (under construction), 3 in Barcelona, Madrid, 2 in London, Edinburgh, York, Lisbon and Prague.
- 2,842 beds with a further 330 beds to be added with the completion of the Paris hostel and the extension to Elephant & Castle.

Brussels is a gateway city into Europe for the UK and only 1 hour’s travel from London. The acquisition will add to the Group’s exposure to the fast-growing global hostel market.

Larry Lipman, Chairman of Safestay, said:

“Hotel Opera has been a good hotel but we believe we can make it into an excellent hostel. The building and the central location combine to make it ideal to attract some of the tens of thousands of visitors who come to Brussels each month. Given that it is an operating hotel, conversion will be quick and many of the existing operating team will continue under the Safestay brand. We expect the transaction to be immediately earnings enhancing.

We are executing on our ambitious roll out plan and we look forward to completing further similar deals in other prime city locations.”

To listen to COO Nuno Sacramento’s views on the popularity of Brussels within the European hostel market and why Hotel Opera will make an ideal Safestay Hostel, [click here](#) or enter the following URL into your browser <https://bit.ly/2Eo0TjB>.

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