

Safestay plc

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

Long term lease on Vienna City Centre Site

Safestay (AIM: SSTY), the owner and operator of an international brand of contemporary hostels, is pleased to announce it has successfully secured a long term 20 year lease, with an option to extend for a further 10 years, at a well located site in the heart of Vienna.

The property, currently operating as a 52 room hotel, is well placed on Schönbrunner Strasse 41, with excellent transport links and is just a 3 minute walk to the nearest U-Bahn station. The Group intends to convert the property into a 234 bed Safestay branded hostel. With the switch from hotel to hostel being relatively straightforward, it is expected that the conversion will be completed in 3 months and at a cost of less than €0.3m.

An historic tourist destination, Vienna represents a significant step in Safestay’s expansion across Europe’s flagship locations, with over 1.5 million overnight tourist stays recorded in Vienna in June 2018 alone. This transaction gives Safestay hostels in 6 of the 10 most popular European tourist destinations and positions it to benefit from the continued growth in the European hostel market, which by 2020 is projected to grow by 7-8 per cent year on year, with a current value of \$5.2 billion in bed revenue.

Following this transaction the Group’s portfolio of premium hostels consists of:

- 4 sites in the UK: York, Edinburgh and two in London
- 9 sites in Europe: Brussels, Lisbon, Madrid, Paris, Prague, Vienna and three in Barcelona
- 3,400 beds across all 13 hostels

Chairman of Safestay, Larry Lipman, said:

“Vienna has long been on our target list of cities given its global appeal. The site is ideal for our purposes and will become an attractive premium hostel in the heart of this famous city. We are confident it will quickly be an earnings enhancing transaction and as importantly be a significant and popular addition to our expanding network.”

To listen to Safestay COO, Nuno Sacramento, discuss the expansion of the Safestay brand, the attractions of Vienna and the ongoing rise in popularity of modern hostel experience in further detail, click here to listen to him interviewed on Vox Markets <https://bit.ly/2ETeWxE>.

Enquiries

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Vox Markets page <https://www.voxmarkets.co.uk/company/SSTY/news/>

Instagram page www.instagram.com/safestayhostels/