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Safestay plc

("Safestay", the "Company" or the "Group")

Acquires Italian Hostel in Pisa

Safestay (AIM: SSTY), the owner and operator of an international brand of contemporary hostels, is pleased to announce that it has acquired the freehold of 'Hostel Pisa' for €3.25 million.

The acquisition of the 161 bed Hostel Pisa is part of the Group's strategy to establish a pan-European network of premium hostels, located in popular tourist cities. The addition of Hostel Pisa takes the portfolio to fourteen hostels and with the recent fund raising and pipeline of potential sites, the Company is well placed to reach its shorter-term target of owning and operating 20 hostels.

A very popular destination to visit in Italy's famous region of Tuscany, Pisa attracts over one million visitors each year, all keen to see its famous architecture from the Cathedral of Santa Maria Assunta to the Leaning Tower of Pisa.

Hostel Pisa is located in the city centre, around the corner from Pisa train station and a 15 minute walk from the airport. Established in 2013, Hostel Pisa is a well maintained successful business with good quality bedrooms offering a contemporary hostel experience which fits neatly within the Safestay portfolio. Serving a true Italian culinary experience to guests sitting in a grape filled garden, it is a popular choice in this sought after tourist city.

The property is freehold and in the 12 months to 31 December 2018 generated revenues of €0.8 million and EBITDA of €0.3 million. The total consideration of €3.25 million will be satisfied in cash, from the Group's existing cash resources. Given the good condition of the building and facilities, the only investment required will be to re-brand the building to become a Safestay Hostel at an approximate cost of €50,000.

The Group's portfolio now consists of:

- 4 sites in the UK: York, Edinburgh and two in London
- 10 sites in Europe: Brussels, Lisbon, Madrid, Paris (under construction), Pisa, Prague, Vienna and three in Barcelona
- 3,297 beds across all 14 hostels

Larry Lipman, Chairman of Safestay, said:

"It is very pleasing to be announcing the completion of this acquisition. Hostel Pisa is an excellent addition and a natural fit within our portfolio. Currently it operates independently, and we are confident that within the Safestay portfolio it has the potential to excel, taking advantage of our brand, purchasing power and ability to promote Pisa to guests staying in any of our other hostels.

The Group as a whole is trading well and in line with market expectations. Demand has been strong overall and bookings for the summer look good.”

Enquiries

Safestay plc +44 (0) 20 8815 1600
Larry Lipman

Canaccord Genuity Limited +44 (0) 20 7523 8000
(Nominated Adviser and Broker)
Chris Connors
Bobbie Hilliam

Novella +44 (0) 20 3151 7008
Tim Robertson
Fergus Young

For more information visit our:

Website www.safestay.com

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