



18 September 2019

## **Safestay plc**

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

### **Acquisition of Glasgow Hotel**

Safestay (AIM: SSTY), the owner and operator of an international brand of contemporary hostels, is pleased to announce that it has agreed to acquire the freehold of its fifteenth hostel, currently operating as 'Best Western Glasgow City Hotel', for £3.15 million. Completion of the acquisition is expected to take place on 21 October 2019.

The acquisition of the 52-bedroom hotel is part of the Group's strategy to create a pan-European network of premium hostels in leading cities. Located on Elmbank Street in the heart of the City, the hotel is a short walk from Charing Cross railway station providing fast transport links to Edinburgh and other regions.

Safestay already operates a successful site in Edinburgh and therefore the acquisition of Safestay Glasgow is a natural extension enabling the Group to market both cities. As with the acquisition of other hotels by Safestay, the Company intends to convert this site into a hostel and outline planning permission already exists for conversion into a 200 bed hostel.

Glasgow, the largest city in Scotland, was the fourth most visited UK city from overseas outside London in 2018, globally renowned for its gothic style architecture such as the famous Glasgow Cathedral.

The property is freehold and in the 12 months to 31 January 2019 generated revenues of £0.82 million. The total consideration of £3.15 million will be satisfied in cash from the Group's existing cash resources.

Following this acquisition the Group's portfolio now consists of:

- 5 sites in the UK: Glasgow, Edinburgh, York and two in London
- 10 sites in Europe: Brussels, Lisbon, Madrid, Paris (under construction), Pisa, Prague, Vienna and three in Barcelona
- Approximately 3,500 beds across all 15 hostels

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

"Given the success of our 615 bed Edinburgh hostel which we acquired in 2015 and now considered to be a flagship site within our portfolio, we have been looking for sometime to find the right site in Glasgow. We are therefore very pleased to have secured this excellent building which is ideally suited to being a hostel, providing an excellent base to explore Glasgow from. We very much look forward to Safestay Glasgow becoming part of the portfolio."

## **Enquiries**

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## **For more information visit our:**

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

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