



24 September 2019

## **Safestay plc**

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

### **Joint Venture Partnership to develop 660 bed Venice Hostel**

Safestay (AIM: SSTY), the owner and operator of an international brand of contemporary hostels, is pleased to announce that it has entered into a joint venture partnership with EOS Sicav plc to develop a 660 bed hostel in Venice. Safestay will acquire 50% of the freehold site for €2.1 million and share the development costs of building the hostel on a 50:50 basis.

The site covers 6,000 sqm and is located on Via Fratelli Bandiera, a very short walk from the main railway terminal, Mestre Station. Construction is scheduled to begin in 2020 once final licensing is confirmed. Safestay’s share of the development costs are expected to be approximately €5.0 million and once completed, Safestay will lease the hostel from the joint venture partnership and be the sole operator.

Venice is undoubtedly one of Europe’s most iconic cities attracting over 14 million visitors throughout the year and thereby providing year round revenues from tourism.

Given the popularity of the city, Venice is still relatively under served in terms of number of hostel beds. As a consequence, to have secured a site to develop a 660 bed hostel in such a good market is a very strong addition to the Safestay portfolio and once completed it will be a significant contributor to the Group’s future profitability.

The property is freehold and the total consideration of €2.1 million for 50% of the site will be satisfied from the Group’s existing cash resources.

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

- 5 sites in the UK: Glasgow, Edinburgh, York and two in London
- 11 sites in Europe: Brussels, Lisbon, Madrid, Paris (under construction), Pisa, Prague, Vienna, Venice and three in Barcelona
- Approximately 4,200 beds across all 16 hostels (once fully developed)

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

“Acquiring a site for a substantial hostel in Venice is a great opportunity for Safestay. We have been working closely with EOS Sicav plc for some time to achieve this, as the potential is clear and the number of similar opportunities are few.

This is also our second site in Italy following the acquisition of Safestay Pisa earlier this year. Italy is a natural market for us and we are continuing to look for similar opportunities in the other popular Italian cities.”

**Enquiries**

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

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