



28 October 2019

Safestay plc

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

Acquires Athens Hostel

Safestay (AIM: SSTY), the owner and operator of an international brand of contemporary hostels, is pleased to announce that it has exchanged contracts to acquire the prime boutique hostel AthenStyle for €1.5 million. Completion of the purchase is scheduled for 15 January 2020.

The 150 bed AthenStyle hostel first opened in 2008 and is a well-established base for visitors to explore the City. The hostel is centrally located, surrounded by boutique cafes and bars and within easy walking distance of the City’s famous historical sites. Well known for its rooftop bar offering 360-degree views of the City and out across to the Acropolis, AthenStyle is a very popular independent hostel.

Athens has always been, and will no doubt continue to be a leading European city attracting up to 5.5 million visitors each year.

For the 12 months to December 2018, AthenStyle generated sales of €0.7 million and EBITDA of €0.2 million. The property is being acquired on an 18-year lease. The total consideration of €1.5 million, which is also the value of the assets being acquired, 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
- 12 sites in Europe: Athens, Brussels, Lisbon, Madrid, Paris, Pisa, Prague, Venice, Vienna and three in Barcelona. Paris and Venice are both under development.
- Approximately 4,200 beds across all 17 hostels (once fully developed)

Larry Lipman, Chairman of Safestay, said:

“AthenStyle is a strong addition to our portfolio as it is already popular, stylishly designed and sits right in the heart of the City. It will be a straightforward process to re-brand the site, integrate with our cloud-based booking systems and should be immediately earnings enhancing.

The last 4 months has been an active transaction period with new sites added in Pisa, Venice, Glasgow and now Athens which means Safestay guests can now stay with us throughout the UK and Europe in any one of our 17 individually unique hostels.

Importantly, the hostel market continues to grow and Safestay is carving out its own reputation for offering guests stylish, safe accommodation in beautiful often listed buildings, in the centre of the principal cities of Europe and still for just c. £20 per night.

In a short period, the bed capacity of the portfolio has expanded by one third and is on the cusp of really showing the benefits from our increasing economies of scale.”

Enquiries

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

Instagram page www.instagram.com/safestayhostels/