

Safestay plc
("Safestay" or the "Company")

Conclusion of Strategic Review and Formal Sale Process

On 17 September 2021, the Board of Safestay plc (the "**Board**") announced that it had been considering options for the Company with its advisers. The Board determined to undertake a review of the Company's strategic options (the "**Strategic Review**"). These options included, but were not limited to, a sale of the Company under the framework of a "Formal Sale Process" in accordance with the City Code on Takeovers and Mergers (the "**Takeover Code**").

During the course of the Strategic Review, a number of constructive discussions were held with interested parties and several indicative proposals were received. Further discussions resulted in a non-binding conditional expression of interest being received from a bona fide third party (the "**Expression of Interest**") in cash at a significant premium to the current share price (the "**Expression of Interest Price**").

Having considered the Expression of Interest, the majority of the Board concluded that they would have recommended Shareholders accept an offer made at the Expression of Interest Price. However, following discussions with certain shareholders of the Company, whilst a number indicated that they would be prepared to commit to accepting such an offer at the Expression of Interest Price, it became clear that there was not sufficient shareholder support to satisfy the third party making an announcement of a firm intention to make an offer for the Company under Rule 2.7 of the Takeover Code (and the Board has notified the third party that their Expression of Interest has been rejected). All discussions with interested parties have now ceased and there are no ongoing discussions. As a result, the Board has decided to terminate the Formal Sale Process with immediate effect.

The Board has also decided to end the Strategic Review. The Board believes strongly in the appeal of the Safestay brand and will continue to explore all avenues of alternatives and opportunities in what remains a challenging and unclear post covid environment. In total, trading has been in line with the Board's expectations since the Company's last guidance issued on 28 September 2021.

Safestay's hostels only fully re-opened in July 2021, but the Board's belief in the brand strength is reinforced by the trading performance of the hostels post re-opening, delivering significantly more hostel revenues than 2020, and hostel EBITDA returning to a positive position in the latter months of the year before trade was impacted once again by travel restrictions and lockdowns because of the Omicron variant.

The Board believes that as travel restrictions are lifted across Europe, the desire for travel will return, and the key locations and appeal of Safestay will see a strengthening of occupancy levels across our sites. Seasonally the Company is in a quieter period, where historically management has reduced the operating cost base to align costs to the revenues coming in, and even more so through the pandemic hangover. Despite the pandemic, revenues for the first quarter appear to be ahead of the management's prudent expectations and there are indications that this will continue into the early Spring, but as the past 23 months have repeatedly demonstrated nothing can be taken for granted with the global pandemic. A further update on outlook will be provided when we publish our 2021 results.

As the Company has ceased to be in an offer period for the purposes of the Takeover Code, the disclosure requirements pursuant to Rule 8 of the Takeover Code are no longer applicable as from the time this announcement is released.

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014, as implemented into English law ("**MAR**"). Upon the publication of this announcement via a Regulatory Information Service, this inside information will be considered to be in the public domain.

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This announcement contains statements which are, or may be deemed to be, "forward-looking statements" which are prospective in nature. All statements other than statements of historical fact are forward-looking statements. They are based on current expectations and projections about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of a date in the future or forward-looking words such as "plans", "expects", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "targets", "aims", "projects" or words or terms of similar substance or the negative of those terms, as well as variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations or events that are beyond the Company's control.

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