

29 January 2024

Safestay plc

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

Successful Debt Refinancing Agreed With HSBC

Safestay (AIM: SSTY), the owner and operator of an international brand of contemporary hostels, is pleased to announce, that it has refinanced its existing borrowings into a single £16 million Term Loan and added a new £2.5 million Revolving Credit Facility ("RCF") to support future growth plans. The new Term Loan and RCF are for 5 years and were provided by existing lender HSBC.

The Term Loan interest rates are £4.4 million at 3.955%, £10 million at SONIA but capped at 4.75% with a floor of 3% and £1.6 million at SONIA, all with an additional margin of 2.6%. The RCF has a rate of SONIA plus a margin of 2.85%. The Term Loan is repayable at £0.1 million per quarter from March 2025 together with a final payment at completion. Interest on both the Term Loan and RCF is payable quarterly from March 2024.

The Term Loan replaces the previous interest only £12,745,000 facility with HSBC and enables the repayment of the outstanding CBILS loan of £3 million which carried a significantly higher interest rate.

Larry Lipman, Chairman of Safestay, said "We are pleased to have completed this refinancing which increases the Group's overall funding capacity providing additional flexibility and enabling additional investment into the development and growth of our business. We are grateful to HSBC who continues to be a long-term and strong supporter of Safestay."

Enquiries

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

Liberum Capital Limited

(Nominated Adviser and Broker) +44 (0) 20 3100 2000
Andrew Godber/Edward Thomas / Josh Borlant

Novella

Tim Robertson +44 (0) 20 3151 7008
Safia Colebrook

For more information visit our:

Website www.safestay.com

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

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