

10 March 2020

Safestay plc

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

Trading Update

Safestay (AIM: SSTY), the owner and operator of an international brand of contemporary hostels, announces that the spread of the COVID-19 virus is having an impact on bookings across the hostel network.

We have experienced a material reduction in new bookings over the last week against our expectations and there have been a growing number of group bookings from schools and colleges which have been cancelled or postponed. It is too early to say what the full impact from COVID-19 might be in the current financial year, as it is not known how long the virus will continue to impact travel and spending patterns in Europe and the UK.

As announced in a trading update on 3 February 2020, the Company completed a successful year in 2019 and entered 2020 in a strong financial position. The Board is confident that the business is well placed to weather the current challenges and return to growth as and when the travel market normalises.

In the meantime, the Company is reducing flexible costs where possible to offset the dip in bookings whilst strictly adhering to all health advice in order to help protect all of our staff and guests.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 (MAR).

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

Instagram page www.instagram.com/safestayhostels/