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Safestay PLC
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Safestay PLC

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

Leasehold acquisition of Budapest property

Agreement reflects further strategic expansion in key cities across Europe

Safestay PLC (AIM: SSTY), one of Europe's largest hostel groups, is pleased to announce the acquisition of a leasehold city centre site in Budapest, Hungary, by its wholly owned subsidiary Safestay Hungary kft.

Following refurbishment, the acquisition will add approximately 150 beds to Safestay's existing portfolio, which numbers more than 3,580 beds across 18 sites excluding the Group's recently announced Brighton and Calpe Costa Blanca locations.

The site comprises five storeys and a large courtyard and is located in the heart of Budapest, a 15-minute walk from the Danube River and close to Budapest's shopping district as well as the city's bars and restaurants.

Safestay Hungary kft has signed a five-year lease for the property from Curzon Capital kft and under the terms of the agreement has the option to extend this over two additional five-year terms. The first eight months of the property's €150,000 annual rent will be waived while Safestay obtains the required licence to operate the property as a hostel and, subsequently, refurbishes the property at an anticipated cost of €600,000. Should Safestay be unable to secure the correct licence, the agreement will be terminated.

Once operational, the Budapest hostel is expected to contribute estimated revenue of approximately €350,000 and EBITDA after rent of €50,000 to the Group during its first year of operation. This is expected to increase as the site matures.

Safestay's entry into the Budapest hostel market is a natural extension of its strategy to expand its presence across key European cities and builds on the Company's Eastern European presence in the Czech Republic, Slovakia and Poland.

Larry Lipman, Chairman of Safestay, said:"We are very pleased to announce the acquisition of a leasehold property in the heart of Budapest, a vibrant European tourist destination. This site has excellent potential and, following refurbishment, will be a fantastic addition to Safestay's portfolio of premium, well-located hostels.

This agreement builds on the Group's exciting expansion over the past few months and reflects continued progress against our growth strategy."

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Enquiries

Safestay PLC Larry Lipman	Tel: +44 (0) 20 8815 1600
Shore Capital (Nomad & Broker) Tom Griffiths/Harry Davies-Ball	Tel: +44 (0) 20 7408 4090
Hudson Sandler (Financial PR) Alex Brennan/Lucy Wollam	Tel: +44 (0) 20 7796 4133 safestay@hudsonsandler.com

For more information visit our:

Website www.safestay.com

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

Instagram page www.instagram.com/safestayhostels/

Notes to Editors

About Safestay PLC

Safestay PLC is one of Europe's largest hostel groups, operating in the fragmented and fast-growing global hostel market that is expected to be worth $8.9bn annually by 2027*.

Safestay's portfolio of 19 premium hostels and one hotel offer guests both private and shared rooms in destination cities across the UK, Spain, Belgium, Czech Republic, Germany, Greece, Italy, Poland, Portugal, and Slovakia.

The Group currently offers 3,580 beds across its locations and sold 848,633 bed nights in 2023, a 17% increase against the prior year.

Safestay's mission at each of its locations is to provide a safe, inclusive, and enjoyable space that caters to the needs of different travellers. Its properties offer first-class locations and thoughtful designs that cater for the different needs of travellers, from digital nomads to backpackers and from families to group travellers.

The company's strong growth momentum continues and during 2024 has announced the acquisition of a freehold hotel property in Brighton and a hotel in central Cordoba, Spain, with the intention of converting these into a 220-bed hostel and 100-bed hostel respectively, as well as the signing of its first management contract for a 120-bed hostel on Spain's Costa Blanca.
https://www.safestay.com/

**Source - Markets and Research, August 2022*

Safestay's pan-European locations include:

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- Athens Monastiraki, Greece
- Barcelona Gothic, Spain
- Barcelona Passeig de Gracia, Spain
- Berlin Kurfurstendamm, Germany (hotel)
- Bratislava Presidential Palace, Slovakia
- Brighton, UK (in development)
- Brussels Grand Place, Belgium
- Glasgow Charing Cross, UK
- Edinburgh Cowgate, UK
- London Elephant & Castle, UK
- London Kensington Holland Park, UK
- Lisbon Bairro Alto, Portugal
- Madrid Central, Spain
- Pisa Centrale, Italy
- Prague Charles Bridge, Czeck Republic
- Warsaw Old Town, Poland
- York Micklegate, UK

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