

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

Replacement Interim Results

Amendments have been made to the 'Interim Results' announcement released on 23rd September 2025 at 7.00am under RNS No 3387A.

These amendments relate to certain figures in the Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Consolidated Statement of Cashflows, and Fixed Assets.

All other details remain unchanged. The full amended text is shown below.

Interim Results

Resilient performance and further strategic progress despite challenging trading backdrop

Safestay (AIM: SSTY), one of Europe's largest hostel groups, announces its unaudited interim results for the six months to 30 June 2025 ("H1 2025" or the "Period").

H1 2025 Financial Highlights:

- Revenue from continuing operations of £10.1 million (H1 2024: £10.7 million) reflecting the challenging trading environment and highly competitive pricing across European hostels; food and beverage sales increased to £1.1 million (H1 2024: £1.0 million).
- Adjusted EBITDA from continuing operations was £2.3 million (H1 2024: £3.2 million). The reduction reflects higher staff costs, driven by increases in the UK National Living Wage and National Insurance contributions, as well as above-inflation rises in minimum wages across several European properties. Operating expenses also rose due to cost inflation, particularly in utilities, cleaning and linen supplies. As a result, the EBITDA margin declined to 23.3% (H1 2024: 29.9%).
- Adjusted Earnings Per Share for continuing operations increased to 0.73p (H1 2024: 0.16p), due to the receipt of a £1.4 million Covid-19 business interruption insurance claim.
- Profit before tax from continuing operations of £591,000 (H1 2024: loss of £113,000).
- Net cash generated from operations of £3.4 million (H1 2024: £5.0 million).
- Cash at bank at 30 June 2025 was £1.7 million, up 21.4% from the year end (31 December 2024: £1.4 million), but a 23.8% decrease from £2.2 million at 30 June 2024.
- Net asset value per share of 47.8p (30 June 2024: 49.8p).

H1 2025 Operational Highlights:

- Continued expansion of the portfolio:
 - In April, planning approval received to develop new 170-bed hostel in Brighton.
 - In June, the Group signed a 12-year lease agreement to operate a 300-bed hostel in Naples.
 - Post-Period end, in August, the Group signed its first franchise agreement for two hostels in Austria.
- Marginal increase in bed nights to 415,606 (H1 2024: 412,442), of which 40.5% were booked through direct and non-commissionable channels (H1 2024: 42.3%).
- Occupancy rate of 68.2% (H1 2024: 70.6%).
- Average Bed Rate ("ABR") of £20.4, a 7.9% decline year on year (H1 2024: ABR: £22.1), reflecting the highly competitive pricing environment across the European hostel market. Total Revenue per available bed ("RevPAB") declined by 10.2% to £16.4 (H1 2024: £18.3).
- Group bookings remained robust representing 22% of accommodation sales in the Period (H1 2024: 23%).
- As previously announced the Group is considering the sale of certain UK freehold assets.

Current Trading & Outlook

- Notwithstanding the fact that the Group's revenue is typically second half weighted, the Company is experiencing significant price pressures which are impacting revenue, whilst we strive to maintain occupancy and control costs.
- The key trading months of July and August were impacted by this deterioration in market conditions, and consequently revenue for the full year is expected to be lower than in 2024.
- The Company continues to achieve a satisfactory level of both group and direct bookings through its website, and is pursuing a number of promotions to build revenue.
- As a result of a licence review, the bed numbers in Barcelona, Passeig de Gracia were reduced by 51 beds to 338.
- New hostels in Naples, Italy and Kitzbühel, Austria are expected to open during Q4 2025.
- The Board remains positive about Safestay's long-term prospects as a proven operator in the significant and fragmented European hostel market, with several further expansion opportunities being appraised.

Larry Lipman, Chairman of the Group, commented:

"Safestay delivered further strategic progress in H1 2025 despite the challenging trading environment across the European hostel market. We continued to strategically expand the portfolio with one new hostel added, in Naples and two further sites in Austria added post-Period end. The sites in Austria represent both our first franchise agreement and our first in an alpine resort. a model which has the potential to offer attractive capital-light growth opportunities

and can first in an expense recovery, a model which has the potential to offer attractive capital growth opportunities going forward.

Looking ahead, our ambition is to deliver sustainable growth and to crystallise value for shareholders, whilst over the medium-term growing the portfolio. With a proven model, well-invested systems and technology, a clear strategy, and a strong pipeline of opportunities, we are confident in our ability to deliver sustainable expansion."

Copies of this announcement are available on the Company's website, www.safestay.com

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Website www.safestay.com

Instagram page www.instagram.com/safestayhostels/

About Safestay PLC

[Safestay](http://www.safestay.com) 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 operational sites of 21 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, Austria and Slovakia.

In 2025, the Group delivered a 1% increase in Total Bed Nights to 415,606, 40.5% of which were booked through direct and non-commissionable channels.

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.

<https://www.safestay.com/>

*Source - Markets and Research, August 2025

Safestay's pan-European locations include:

- [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](#)
- Budapest, Hungary (in development)
- [Calpe Seafront, Spain \(in development\)](#)
- [Córdoba Mezquita Cathedral, Spain](#)
- [Glasgow Charing Cross, UK](#)
- [Edinburgh Cowgate, UK](#)
- Kitzbühel, Austria (in development)
- [London Elephant & Castle, UK](#)
- [London Kensington Holland Park, UK](#)
- [Lisbon Bairro Alto, Portugal](#)
- [Madrid Central, Spain](#)
- Naples, Italy (in development)
- [Pisa Centrale, Italy](#)
- [Prague Charles Bridge, Czech Republic](#)
- [Warsaw Old Town, Poland](#)
- [York Micklegate, UK](#)

Chairman's Statement

Financial Review

During H1 2025 Safestay delivered further strategic progress and a resilient financial performance, despite the

challenging trading environment which impacted pricing and demand across the European hostels market.

Revenues from continuing operations were down 5.6% at £10.1 million (H1 2024: £10.7 million). Within this, accommodation sales declined by 6.6% to £8.5 million (H1 2024: £9.1 million) whilst non-accommodation sales were stable at £1.5 million (H1 2024: £1.5 million). Within non-accommodation sales, food and beverage sales increased to £1.1 million (H1 2024: £1.0 million).

Adjusted EBITDA from continuing operations declined by 28% to £2.3 million (H1 2024: £3.2 million), resulting in a 6.4% decline in EBITDA margin to 23.3% (H1 2024: 29.9%). This was due to higher staff costs in part driven by the well-publicised increase to the National Living Wage and National Insurance contribution in the UK as well as higher expenditure on operational expenses.

The Group recorded profit before tax from continuing operations of £591,000 (H1 2024: loss of £113,000) and a profit for the Period attributable by owners of the parent company of £472,000 (H1 2024: profit of £63,000). This reflects the Group's award of a Covid-19 business interruption insurance claim with net proceeds totalling £1.4 million which was received in June 2025.

Net cash generated from operations was £3.4 million (H1 2024: £5.0 million), with the reduction reflecting the decline in EBITDA year on year.

Cash at bank at 30 June 2025 was £1.7 million, up 21.4% from the year end (31 December 2024: £1.4 million) reflecting the receipt of the £1.4 million Covid-19 business interruption insurance claim described above.

Operational Review

Notwithstanding pressures on bed rates, the appeal of Safestay's portfolio of premium hostels remains strong amongst its core customer base of young travellers, families, and business travellers. This was evidenced by the marginal increase in bed nights sold during the Period to 415,606 (H1 2024: 412,442). Of these, 40.5% (equating to £1.54 million) were booked through direct and non-commissionable channels (H1 2024: 42.3%), representing 18% of total accommodation revenue.

Occupancy during the Period was 68.2%, a 2.4% decline year-on-year (H1 2024: 70.6%). Average Bed Rate ("ABR") decreased by 7.9% year-on-year (H1 2024: £22.15) reflecting the impact of a highly competitive pricing environment across the European hostels market. As a result of these factors, total RevPAB declined by 10.2% to £16.42 (H1 2024: £18.28), resulting in lower total revenue for the Period.

Group bookings remained broadly flat, representing 22% of accommodation sales in the Period (H1 2024: 23%).

In January, we announced a partnership with Cloudbeds, the industry's premier hospitality management platform. Cloudbeds' innovative unified technology provides the Company with a single comprehensive view of customer data across all properties and booking platforms, enabling Safestay to provide a superior guest experience, enhance its commercial and marketing strategy, and streamline operational costs across its growing portfolio.

Portfolio expansion

During the Period we continued to actively pursue strategic expansion opportunities with the addition of one new high-quality sites to our portfolio, with a further two sites added post-Period end.

In June, we signed a 12-year lease agreement to operate a 300-bed hostel in the centre of Naples, Italy. The lease agreement, signed with Italian property developer Ma Creo srl, signals the commencement of a strategic partnership together, with the aim of opening additional high quality and community focused hostels across Italy over the coming years. A former monastery, the hostel is in the city's Materdei district and retains numerous historic features, including an entrance through a preserved chapel. Following refurbishment, it will feature 300 beds across four and six bed dormitories and private rooms. The site is expected to be operational in Q4 2025.

In August, Post the Period end, we signed our first franchise agreement with hostel owner and operator, Sycomore Entwicklungen GmbH. The franchise covers two hostels in the sought-after alpine resort of Kitzbühel, Austria, a year-round destination with world-class ski facilities and summer attractions, making it an ideal location for Safestay to broaden its reach beyond its core market of city centres in major European capitals. The two properties - currently operated as the Roomie Alps Design Hostel Kitzbühel and the Guesthouse Johanna hotel - are being rebranded as Safestay Kitzbühel Centre and Safestay Kitzbühel Alpine, respectively, and are due to be operational in Q4 2025. Together, the properties offer 70 beds in Kitzbühel and are a five-minute walk from the main ski lifts with easy access to local restaurants, bars and transport links.

In April, we received planning approval to develop a new 170-bed hostel in the heart of Brighton. The planning approval follows the Group's acquisition in June 2024 of the freehold property for a total consideration of £2.275 million. We are investing approximately £1.0 million in the conversion of the property, with the hostel anticipated to open in early 2026.

Directorate changes

Towards the end of the Period the Group announced the appointment of Carlos Salas Dual as Chief Financial Officer replacing Paul Hingston with effect from 30 June 2025. Carlos is a Chartered Certified Accountant with extensive experience in senior financial management roles across a range of sectors, most recently acting as Group Financial Controller for Gibraltar-based MH Bland Group of Companies.

On behalf of the Board, I would like to thank Paul for his contribution over the last three years and wish him the very best for the future.

Current Trading & Outlook

The challenging macroeconomic and pricing environment has continued the second half of the year, with bookings over the key trading months of July and August below those in 2024. Forward bookings for the remainder of 2025 are expected to be broadly in line with last year. Consequently, revenues for the full year are expected to be lower than in 2024.

2024.

We continue to achieve a satisfactory level of both group and direct bookings to our website and are pursuing a number of promotions to build revenue.

Looking ahead, our ambition is to deliver sustainable growth and to crystallise value for shareholders, whilst over the medium-term growing the portfolio. With a proven model, well-invested systems and technology, a clear strategy, and a strong pipeline of opportunities, we are confident in our ability to deliver sustainable expansion.

Larry Lipman, Chairman
23 September 2025

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2025

		Half year to 30-Jun 2025 Unaudited	Half year to 30-Jun 2024 Unaudited As restated	Year to 31 December 2024 Audited
	Note	Total £'000	Total £'000	Total £'000
Revenue	3	10,070	10,684	22,497
Cost of sales		(1,487)	(1,704)	(3,939)
Gross profit		8,583	8,980	18,558
Other operating income and expenses	4	1,241	-	-
-Administrative expenses		(7,828)	(7,518)	(15,736)
Operating profit		1,996	1,462	2,822
Finance income and costs		(1,405)	(1,575)	(3,229)
Loss before tax		591	(113)	(407)
Tax	5	(120)	220	(875)
Profit / (loss) for the period from continuing operations		471	107	(1,282)
Net loss from discontinued operations		-	(44)	391
Profit / (loss) for the financial period attributable to owners of the parent company		471	63	(891)
Basic profit / (loss) per share from continuing operations	6	0.73p	0.16p	(1.97p)
Basic profit / (loss) per share from discontinued operations	6	0.00p	(0.07p)	0.60p
Diluted profit / (loss) per share from continuing operations	6	0.69p	0.16p	(1.87p)
Diluted profit / (loss) per share from discontinued operations	6	0.00p	(0.06p)	0.57p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Half year to 30 June 2025 Unaudited	Half year to 30 June 2024 Unaudited As restated	Year to 31 December 2024 Audited
	Total £'000	Total £'000	Total
Profit / (loss) for the period	471	63	(891)
Exchange differences on translating foreign operations	(157)	(491)	(812)
Property revaluation	-	-	1,181
Deferred tax on property revaluation	-	-	(1,038)
Total comprehensive (expense)/income for the period attributable to owners of the parent company	314	(428)	(1,560)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025	As restated 30 June 2024	31 December 2024
		Unaudited	Unaudited	Audited
	Note	£'000	£'000	£'000
Non-current assets				
Property, plant and equipment (including right of use asset)	7	75,684	77,659	76,507
Intangible assets		132	136	150
Goodwill	8	10,383	10,660	10,383
Lease assets		72	220	143
Deferred tax asset	9	4,199	5,314	4,392
Fair value of financial assets		24	10	24
Total non-current assets		90,494	93,999	91,599
Current assets				
Inventory		40	50	39
Trade and other receivables		1,008	1,318	981
Lease assets		145	141	140
Current tax asset		59	274	120
Cash and cash equivalents		1,692	2,139	1,430
Total current assets		2,944	3,922	2,710
Total assets		93,438	97,921	94,309
Current liabilities				
Borrowings	10	(4,149)	(267)	(4,164)
Lease liabilities		(1,785)	(1,818)	(1,815)
Liabilities held for sale		-	(470)	-
Trade and other payables		(4,795)	(6,067)	(5,084)
Current liabilities		(10,729)	(8,622)	(11,063)
Non-current liabilities				
Borrowings	10	(22,401)	(26,427)	(22,569)
Lease liabilities		(21,332)	(23,386)	(21,891)
Deferred tax liabilities	9	(7,898)	(7,155)	(8,022)
Total non-current liabilities		(51,631)	(56,968)	(52,482)
Total liabilities		(62,360)	(65,590)	(63,545)
Net assets		31,078	32,331	30,764
Equity				
Share capital		649	649	649
Share premium account		23,959	23,959	23,959
Other components of equity		21,125	21,461	21,282
Retained earnings		(14,655)	(13,738)	(15,126)
Total equity attributable to owners of the parent company		31,078	32,331	30,764

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share Capital	Share premium account	Other Components of Equity	Retained earnings	Total Equity
	£000	£000	£000	£000	£000
Balance at 1 January 2025	649	23,959	21,282	(15,126)	30,764
Comprehensive Income					
Profit for the period	-	-	-	471	471
Other comprehensive income					
Movement in translation reserve	-	-	(157)	-	(157)
Property Revaluation Reserve					
Balance at 30 June 2025	649	23,959	21,125	(14,655)	31,078

	Share Capital	Share premium account	Other Components of Equity	Retained earnings	Total Equity
	£000	£000	£000	£000	£000
Balance at 1 January 2024	649	23,959	21,952	(13,801)	32,759
Comprehensive income					
Loss for the period	-	-	-	63	63
Other comprehensive income					
Movement in translation reserve	-	-	-	-	-

Property Revaluation Reserve	-	-	-	-	-
Deferred tax on property revaluation	-	-	(491)	-	(491)
Balance at 30 June 2024	649	23,959	21,461	(13,738)	32,331

For the six months ended 30 June 2025, total equity decreased to £31.1 million (30 June 2024: £32.3 million). The movement mainly reflects the recognition of profit of £0.5 million, offset by a translation reserve loss of £0.2 million. In the comparative period, equity was reduced by a deferred tax charge of £0.5 million on property revaluation. Share capital (£0.6 million) and share premium (£24.0 million) remained unchanged, while retained earnings continued to show a deficit of £14.7 million.

CONSOLIDATED STATEMENT OF CASHFLOWS

For the six months ended 30 June 2025

	Period to 30 June 2025	Period to 30 June 2024	Year to 31 December 2024
Note	Unaudited £'000	As Restated Unaudited £'000	Audited £'000
Cash flow from operating activities			
Profit/(loss) for the period	471	63	(891)
Tax charge	120	(220)	191
Depreciation, amortisation	1,645	1,705	3,381
Net finance costs	1,372	1,574	3,421
Share based payment charge	-	-	428
Impairment charges	-	-	(400)
(Increase)/decrease in inventories	(1)	(23)	(12)
Decrease in lease asset debtor	-	-	-
(Increase)/decrease in trade and other receivables	38	(118)	229
Increase in trade and other payables	(101)	2,011	524
Fair value movement of derivatives	-	26	-
Cash generated from operations attributable to continuing operations	3,544	5,018	6,871
Income tax received/(paid)	(190)	(140)	(3)
Total net cash inflow from operating activities	3,354	4,878	6,868
Cash flow from investing activities			
Purchases of property, plant and equipment	(313)	(5,685)	(6,097)
Purchases of intangible assets	-	(39)	(115)
Interest received	10	10	12
Total net cash outflow from investing activities	(303)	(5,714)	(6,200)
Cash flow from financing activities			
Share issue	-	-	-
Proceeds from new borrowings	-	19,695	(3,709)
Payment of fees related to new borrowings	-	(311)	-
Principal elements of lease payments	(1,687)	(1,821)	-
Interest paid	(718)	(675)	(1,453)
Loan repayments	(200)	(15,995)	(16,029)
Loan received	-	-	19,695
Fair Value movement in financial assets	-	-	(24)
Total net cash outflow from financing activities	(2,605)	893	(1,520)
Cash and cash equivalents at beginning of period	1,430	2,038	2,038
Net cash flows (used in)/generating from operating, investing and financing activities	446	135	(852)
Differences on exchange	(184)	48	244
Cash and cash equivalents at end of period (including discontinued operations)	1,692	2,221	1,430

NOTES

1 General Information

Safestay plc, the "Company", and together with its subsidiaries, the "Group", is a public limited company whose shares are listed on the Alternative Investment Market ("AIM") of the London Stock Exchange and is incorporated and domiciled in the United Kingdom and registered in England and Wales. The registered number of the Group is 08866498 and its registered address is 1a Kingsley Way, London, N2 0FW.

2 Basis of Preparation

The consolidated interim financial information has been prepared in accordance with UK adopted International Financial Reporting Standards ("IFRS") in conformity with the requirements of the Companies Act 2006.

The Group's Annual Report and Accounts for the year ending 31 December 2025 are expected to be prepared under IFRS.

The comparative information for the period ended 30 June 2024 in this interim report does not constitute statutory accounts for that period under section 435 of the Companies Act 2006.

Statutory accounts for the year ended 31 December 2024 have been delivered to the Registrar of Companies.

The auditors' report on the statutory accounts for the year ended 31 December 2024 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

Significant Accounting Policies

The consolidated interim financial information has been prepared in accordance with accounting policies that are consistent with the Group's Annual Report and Accounts for the year ended 31 December 2024 which is published on the Safestay website, located at www.safestay.com. At the date of authorisation of this financial information, certain new standards, amendments and interpretations to existing standards applicable to the Group have been published but are not yet effective and have not been adopted early by the Group. The impact of these standards is not expected to be material.

In adopting the going concern basis for preparing these financial statements, the Directors have considered the business model and strategies, as well as taking into account the current cash position and facilities.

Based on the Group's cashflow forecasts, the Directors are satisfied that the Group will be able to operate within the level of its current facilities for the foreseeable future, a period of at least twelve months from the date of this report. Accordingly, the Directors consider it appropriate for the Group to adopt the going concern basis in preparing these financial statements.

Financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 (the "Act"). The statutory accounts for the year ended 31 December 2024 have been filed with the Registrar of Companies. The report of the auditors on those statutory accounts was unqualified and did not contain a statement under section 498(2) or (3) of the Act.

The financial information for the six months ended 30 June 2025 and 30 June 2024 is unaudited.

These condensed interim financial statements have not been audited, do not include all the information required for full annual financial statements and should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 December 2024.

The financial statements have been presented in sterling, prepared under the historical cost convention, except for the revaluation of freehold properties, right of use assets and fair value of derivative financial assets and liabilities.

The accounting policies have been applied consistently throughout all periods presented in these financial statements. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 December 2025.

New standards and interpretations effective in the year

No new standards have been implemented this year that have a material impact on the business.

3 Segmental Analysis

For the six months ended 30 June 2025

	Unaudited 6 months to 30 June 2025 £000	Unaudited 6 months to 30 June 2024 £000	Audited Year to 31 December 2024 £000
Hostel accommodation	8,475	9,136	19,962
Food and Beverages sales	1,136	1,001	1,915
Other income	459	547	1,132
Total Income from continuing operations	10,070	10,684	23,009

Group revenue for the six months ended 30 June 2025 was £10.1m (H1 2024: £10.7m), down £0.6m year-on-year. Hostel accommodation contributed £8.5m (H1 2024: £9.1m), food and beverage sales increased to £1.1m (H1 2024: £1.0m), while other income was £0.5m (H1 2024: £0.5m).

**Unaudited 6 months to 30 June 2025
(continuing operations)**

	UK	Spain	Europe	Shared services	Discontinued Operations	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	4,156	2,678	3,236	-	-	10,070
Profit/(loss) before tax	1,019	125	364	(917)	-	591
Add back: Finance income and costs	60	364	134	847	-	1,405
Add back: Depreciation & Amortisation	283	642	508	212	-	1,645
EBITDA	1,362	1,131	1,006	142	-	3,641
Profit on disposal of assets	-	-	-	44	-	44
Exceptional & Share based payment expense	-	(28)	40	(1,353)	-	(1,341)
Adjusted EBITDA	1,362	1,103	1,046	(1,167)	-	2,344
Total assets	45,174	16,044	17,700	14,520	-	93,438
Total liabilities	(13,697)	(10,478)	(7,148)	(31,037)	-	(62,360)

**Unaudited 6 months to 30 June 2024
(continuing operations)**

	UK	Spain	Europe	Shared services	Discontinued operations	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	4,183	2,986	3,515	-	-	10,684
Profit/(loss) before tax	1,627	512	463	(2,714)	-	(113)
Add back: Finance income and costs	115	-	(19)	1,479	-	1,575
Add back: Depreciation & Amortisation	256	599	440	410	-	1,705
EBITDA	1,998	1,111	884	(826)	-	3,167
Exceptional & Share based payment expense	-	-	-	-	-	-
Adjusted EBITDA	1,998	1,111	884	(826)	-	3,167
Total assets	44,794	16,987	20,414	15,726	-	97,921
Total liabilities	(13,318)	(12,250)	(7,973)	(32,049)	-	(65,590)

**Unaudited 12 months to 31 December
2024 (continuing operations)**

	UK	Spain	Europe	Shared services	Discontinued operations	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	8,986	5,953	7,540	18	512	23,009
Profit/(loss) before tax	1,355	(456)	324	(1,630)	391	(16)
Add back: Finance income and costs	315	1,066	790	1,058	192	3,421
Add back: Depreciation & Amortisation	623	1,206	1,211	335	6	3,381
EBITDA	2,293	1,816	2,325	(237)	589	6,786
Impairment	-	-	428	-	-	428
Profit on disposal of assets	-	-	-	4	(404)	(400)
Fair value movements of derivatives	-	-	-	13	-	13
Exceptional & Share based payment expense	-	-	(344)	21	26	(297)
Adjusted EBITDA	2,293	1,816	2,409	(199)	211	6,530
Total assets	45,573	16,235	18,120	14,381	-	94,309
Total liabilities	(13,322)	(10,742)	(7,085)	(32,396)	-	(63,545)

Group revenue for the six months ended 30 June 2025 was £10.1m (H1 2024: £10.7m), down £0.6m year-on-year. Adjusted EBITDA decreased to £2.3m (H1 2024: £3.2m), reflecting lower contributions from the UK and higher central costs, partly offset by a stronger performance in Europe.

Total liabilities for the Europe segment for the period ended 30 June 2025 does not include any liabilities held for sale (30 June 2024: £470k).

4 OTHER OPERATING INCOME AND EXPENSES

For the six months ended 30 June 2025

	Unaudited 6 months to 30 June 2025 Total £000	Unaudited 6 months to 30 June 2024 As restated Total £000	Audited Year to 31 December 2024 Total £000
Business interruption income settlement	1,365	-	-
Profit on surrender of lease agreements / lease termination income	-	-	-
Impairment or write-downs of fixed / right-of- use assets	-	-	-

use assets	-	-	-
Total other operating income	1,365	0	0
Other operating expenditure			
One-off legal / professional fees (Covid related advice)	42		
Rent deferral Re: Covid	28		
Impairment or write-downs of fixed / right-of-use assets	10		
Profit or Loss on sale of assets	44		
Lease termination / early exit costs	-		
Total other operating expenditure	124		
Net other operating income and expenditure	1,241		

In the first half of 2025, Safestay recorded a net gain of £1.2 million within "Other Operating Income and Expenditure". This was mainly due to a £1.4 million business interruption insurance settlement, which reflects historic claims for disruption to trading.

Set against this, the Group incurred £0.1 million of one-off costs, including professional fees linked to Covid related advice, a small Covid-related rent deferral adjustment, and minor asset write-downs. A loss on the sale of assets was also recognised.

As these items are not part of day-to-day hostel operations, they are reported separately to give a clearer picture of the underlying trading performance.

5 TAXATION

For the six months ended 30 June 2025

	Unaudited 6 months to 30 June 2025 Total £000	Unaudited 6 months to 30 June 2024 Total £000	Audited Year to 31 December 2024 Total £000
Corporation tax on profits for the year	65	0	5
Adjustments for corporation tax on prior periods	0	0	-
Other Local taxes	0	0	186
Total current tax	65	-	191
Deferred tax	57	(220)	684
Adjustments for deferred tax on prior periods	(2)	0	-
Effect of increased tax rate on opening balance	0	0	-
Total tax change	120	(220)	875

The Group recorded a tax charge of £120,000 for the six months ended 30 June 2025 (H1 2024: credit of £220,000; FY 2024: charge of £875,000). The charge reflects the UK corporation tax rate of 25%, adjusted for fixed asset timing differences, non-deductible expenses and foreign exchange movements. The effective tax rate is expected to remain broadly in line with the statutory rate for the full year.

The tax charge for the year can be reconciled to the profit per the consolidated income statement as follows:

	Unaudited 6 months to 30 June 2025 Total £000	Unaudited 6 months to 30 June 2024 Total £000	Audited Year to 31 December 2024 Total £000
Profit before tax	591	82	(407)
Tax at the standard UK corporation tax rate of 25%(2025: 25%)	148	21	(102)
Fixed asset differences	103	39	91
Adjustments for tax rate differences in foreign jurisdictions	0	0	(1)
Adjustments for tax on prior periods-deferred tax	(2)	0	174
Adjustments for tax on prior periods-deferred tax	0	0	175
Other tax adjustments, reliefs and transfers	0	0	-
Remeasurements of deferred tax for changes in tax rates	-	-	-
Deferred tax not recognised	(37)	4	192
Factors affecting charge for the period			
Non-deductible items and other time differences	(68)	(283)	190
Chargeable gains / (losses)	0	0	-
Foreign exchange differences	(24)	0	156
Deferred tax elimination			-
Group tax charge	120	(220)	875

6 EARNINGS PER SHARE

Basic profit/(loss) per share has been calculated by dividing the loss attributable to shareholders by the weighted average number of shares in issue during the Period.

For the six months ended 30 June 2025

	Period to 30 June 2025 Unaudited £'000	Period to 30 June 2024 Unaudited £'000	Period to 31 December 2024 Audited £'000
Basic profit/(loss) per share from:			
Continuing Operations	0.73p	0.16p	(1.97p)
Discontinued Operations	-	(0.07p)	0.60p
Diluted profit/(loss) per share from:			
Continuing Operations	0.73p	0.16p	(1.87p)
Discontinued Operations	-	(0.06p)	0.57p

Diluted profit/(loss) per share has been calculated after adjusting the weighted average number of shares used in the basic calculation to assume the conversion of all potentially dilutive shares, such as share option awards.

The number of shares used in calculating basic and diluted profit/(loss) per share are reconciled below:

	30 June 2025	30 June 2024	31 December 2024
Weighted average number of ordinary shares (000s) for the purposes of basic earnings per share	64,935	64,935	64,935
Effect of dilutive potential ordinary shares (000s)	3,441	3,441	3,441
Weighted average number of ordinary shares (000s) for the purposes of diluted profit/(loss) per share	68,376	68,376	68,376

Basic earnings per share from continuing operations were 0.73p (H1 2024: 0.16p), with no contribution from discontinued operations (H1 2024: loss of 0.07p per share). Diluted earnings per share were also 0.73p (H1 2024: 0.16p), with the weighted average number of shares unchanged at 64.9m (basic) and 68.4m (diluted).

7 FIXED ASSETS

As at 30 June 2025

	Freehold land and buildings	Right of Use Assets	Leasehold land and buildings	Leasehold improvements	Fixtures, fittings and equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 Jan 2025	22,857	20,393	26,556	2,904	1,344	2,453	76,507
Transfers	-	-	-	-	-	-	-
Additions	-	-	13	-	182	118	313
Depreciation	(196)	(1,013)	(165)	-	(257)	-	(1,631)
IFRS 16 Lease Modification	155	280	(141)	-	205	(4)	495
Exchange Differences	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At 30 June 2025	22,816	19,660	26,263	2,904	1,474	2,567	75,684
At 1 Jan 2024	16,999	23,244	27,020	3,253	1,039	2,154	73,709
Transfers	2,114	-	-	-	-	(2,114)	-
Additions	2,688	-	-	20	585	2,392	5,685
Depreciation	(163)	(1,037)	(94)	(161)	(231)	-	(1,686)
IFRS 16 Lease Modification	-	321	-	-	-	-	321
Exchange Differences	(7)	(368)	-	65	(60)	-	(370)
At 30 June 2024	21,631	22,160	26,926	3,177	1,333	2,432	77,659
At 1 Jan 2024	16,999	23,244	27,020	3,253	1,039	2,154	73,709
Transfers	2,114	-	-	-	-	(2,114)	-
Reclassification as held for sale	-	-	-	-	-	-	-
Additions	2,880	-	-	62	742	2,413	6,097
Disposal	-	-	-	-	-	-	-

Depreciation	(435)	(2,054)	(188)	(322)	(328)	-	(3,345)
Impairment		(235)		(154)	(39)	-	(428)
IFRS 16 Lease Modification	-	151	-	-	-	-	151
Revaluation	1,457	-	(276)	-	-	-	1,181
Surrender of Vienna lease					(24)		(24)
Exchange Differences	(140)	(713)	-	65	(46)	-	(834)
At 31 December 2024	22,857	20,393	26,556	2,904	1,344	2,453	76,507

The Group's property, plant and equipment, including right-of-use assets amounted to £75.7 million (30 June 2024: £77.7 million). The decrease of £2.0 million is primarily attributable to additions of only £0.3 million during the period (H1 2024: £5.7 million), together with depreciation charges of £1.6 million (H1 2024: £1.7 million).

No impairment losses were identified. In addition, exchange differences resulted in a net gain of £0.5 million (H1 2024: £0.4 million loss).

No lease modifications were recognised in the Period (H1 2024: £0.3 million). The overall reduction in carrying amount therefore reflects the natural effect of depreciation and significantly lower capital investment in the current Period, partially offset the exchange gains.

8 GOODWILL

Goodwill on 30 June 2025 amounted to £10.4 million (31 December 2024: £10.4 million; 30 June 2024: £10.7 million). The balance has remained unchanged since the year end, with the decrease compared to the prior year primarily reflecting foreign exchange translation differences.

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets of acquired subsidiaries at the acquisition date. It is not amortised but is subject to annual impairment testing, or more frequently when indicators of impairment exist.

For the purposes of impairment testing, goodwill has been allocated to cash-generating units (CGUs) corresponding to the Group's hostels. The recoverable amounts of the CGUs have been determined based on value-in-use calculations derived from management's financial forecasts covering a five-year period, together with an assessment of residual value beyond the lease term.

The impairment testing indicated that the recoverable amount of each CGU exceeded its carrying value. Accordingly, no impairment has been recognised during the Period. Sensitivity analysis confirmed that no reasonably possible change in assumptions would result in the carrying amount of goodwill exceeding its recoverable amount.

9 DEFERRED INCOME TAX

As at 30 June 2025

The movement in the Group's deferred tax assets and liabilities during the periods presented is as follows:

	Deferred tax assets £'000	Deferred tax liabilities £'000	Total £'000
Balance at 1 January 2024	5,488	(7,359)	(1,871)
Recognised in the income statement	(1,065)	381	(684)
Adjustments for amendments to IAS12	(31)	(6)	(37)
Recognised included directly in equity	-	(1,038)	(1,038)
Recognised in other comprehensive income	-	-	-
Balance as at 31 December 2024	4,392	(8,022)	(3,630)
Recognised in the income statement	54	-	54
Adjustments for amendments to IAS12	-	-	0
Recognised included directly in equity	-	-	0
Balance as at 31 December 2024	4,199	(7,898)	(3,699)

At 30 June 2025, the Group recognised a net deferred tax liability of £3.7 million (31 December 2024: £3.6 million). This reflects temporary differences primarily related to capital allowances and property revaluations, partly offset by deferred tax assets on carried-forward tax losses and provisions.

A deferred tax charge of £54,000 was recognised in the income statement during the Period. No amounts were recognised in equity or other comprehensive income.

Deferred tax assets continue to be recognised where the Group expects sufficient future taxable profits. Unrecognised deferred tax assets relating to losses in certain subsidiaries remain under review and will be recognised once appropriate profitability is forecast.

10 BORROWINGS

As at 30 June 2025

	30 June 2025	30 June 2024	31 December 2024
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000

At amortised cost

Bank loan repayable within one year	4,031	349	4,246
Loan arrangement fees	(85)	(85)	(85)
Property finance liability	3	3	3
	3,949	267	4,164
Bank loans repayable within more than one year	15,595	19,495	15,595
Property finance liability	7,174	7,175	7,174
Loan arrangement fees	(168)	(243)	(200)
	22,601	26,427	22,569

From March 2025 onwards, the Company commenced quarterly capital repayments of £100k on the Term Loan as part of its scheduled repayment obligations.

11 POST BALANCE SHEET EVENTS

Subsequent to the Period end, in August 2025, the Group signed its first franchise agreement, marking a significant milestone in its expansion strategy, with the agreement covering two hostels located in Austria, both of which are planned to commence operations in Q4 2025 and are expected to contribute to the Group's growth in the European market.

The operations of the new hostel in Naples expected to commence in Q4 2025.

12 AVAILABILITY OF THIS ANNOUNCEMENT

Copies of this announcement are available from the Company's registered office at 1a Kingsley Way, London, N2 0FW and the Company's website, www.safestay.com.

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