RNS Number : 8046I
Safestay PLC
25 November 2025

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

Sale and Leaseback of Brighton Freehold Property

Safestay (AIM: SSTY), one of Europe's largest hostel groups, announces that it has exchanged conditional contracts for the sale and leaseback of its freehold property in Brighton (the "Property") to a private investor for a cash consideration of £3.125 million (the "Transaction"). The contracts are conditional on certain approvals being obtained from the Company's bank, with completion of the sale expected before 15 January 2026.

The net proceeds from the Transaction will be used to repay indebtedness, provide working capital and strengthen the Group's balance sheet, supporting the delivery of its long-term growth ambitions.

The Transaction follows Safestay's announcement on 17 June 2025 that it was considering the conditional sale of certain UK freehold assets and the recent announcement of the sale and subsequent franchising of its freehold property and hostel, Safestay Edinburgh Cowgate, for a cash consideration of £5.35 million, which is due to complete on 1 December 2025.

The Group acquired the Property in June 2024 for £2.275 million and, in April 2025, received planning approval to develop a 170-bed hostel. As at 30 June 2025, the unaudited book value of the Property was approximately £2.4 million.

Under the 15-year leaseback agreement, Safestay will benefit from a six-month rent-free period as it continues its previously announced £1.0 million investment in converting the Property so that the hostel may open as planned in summer 2026. After the rent-free period, Safestay will pay approximately £300,000 per year in rent.

Set over five storeys, the Property is an attractive Grade II listed, Regency-style end of terrace 15,300 sq. ft. building on Pavilion Parade. It is ideally situated in the centre of Brighton, 600 metres from the seafront and opposite the Royal Pavilion, a former regency palace and one of Brighton's most popular tourist destinations.

Larry Lipman, Chairman of Safestay, said:
"The sale and leaseback of our Brighton freehold property for £3.125 million is fully aligned with our strategy to crystallise value for shareholders while supporting sustainable long-term growth. Alongside the recent successful sale and franchising of our Edinburgh freehold, this Transaction will further strengthen our balance sheet and provide additional flexibility as we continue to deliver our plans to create shareholder value.

Work is well underway to convert the Property into a fantastic, 170-bed hostel ahead of opening next summer. Once operational, the site will create approximately 20 new jobs in the area as well as making a significant contribution to the local economy by enabling potentially thousands more visitors a week to stay in one of Brighton's most vibrant and commercial areas."

ENDS

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/India Laidlaw	Tel: +44 (0) 20 7796 4133 safestay@hudsonsandler.com

For more information visit our:

Website www.safestay.com
Instagram page www.instagram.com/safestayhostels/

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 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 Catedral, Spain
- Glasgow Charing Cross, UK
- Edinburgh Cowgate, UK
- Kitzbühel, Austria
- 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, Czeck Republic
- Warsaw Old Town, Poland
- York Micklegate, UK

END

DISBIBRTMTITBFA