RNS Number : 2899P
Safestay PLC
05 August 2026

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

Sale of Safestay London Kensington Holland Park for £3.0 million

Safestay (AIM: SSTY), one of Europe's largest hostel groups, announces that it has exchanged contracts for the sale of its leasehold interest in, and associated hostel business operated from, Safestay London Kensington Holland Park (the "Property") to Acerhawk Limited, for a cash consideration of £3.0 million (the "Transaction"). Completion of the Transaction is expected to occur by the end of October 2026, subject to customary conditions and completion mechanics. Following completion, the Group will no longer operate the hostel at this site and the property will cease to trade under the Safestay brand.

Since 2015, the Property has been operated by Safestay under a long leasehold arrangement which expires in 2065. In the 12 months to 31 December 2025, Safestay London Kensington Holland Park generated audited revenue of approximately £1.7 million and profit before tax of approximately £87,000. As at 30 June 2026, the book value of the Group's fixed assets associated with the Property and included in the Transaction was approximately £0.4 million. Safestay acquired the leasehold interest in the Property in 2015 for no premium, and has since invested approximately £1.4 million in improvements to the site. The sale therefore represents a gain of approximately £1.6 million on the Group's investment in the Property, and a gain of approximately £2.6 million relative to the latest book value.

The Transaction follows the Company's announcement on 17 June 2025, in which Safestay confirmed that it was considering the conditional sale of certain UK assets. Since that time, the Company has successfully sold and franchised its Edinburgh freehold property and hostel for £5.4 million, sold and leased back its Brighton freehold property for £3.1 million and completed the sale of its Glasgow freehold property and hostel for £5.1 million. The net proceeds from the Transaction will be used to repay indebtedness, for working capital purposes, and to strengthen the Group's balance sheet, supporting the delivery of its long-term strategic growth ambitions.

Larry Lipman, Chairman of Safestay, said:

"The sale of our leasehold interest and associated hostel business at Safestay London Kensington Holland Park for £3.0 million is fully aligned with our strategy to crystallise value from selected UK assets while supporting sustainable long-term growth. Alongside the recent successful transactions in Edinburgh, Brighton and Glasgow, this Transaction will further strengthen the Group's balance sheet and provide additional flexibility as we continue to selectively grow the portfolio and create shareholder value.

I would like to thank all members of our team at Safestay London Kensington Holland Park for their hard work and commitment throughout our operation of the property."

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Instagram page www.instagram.com/safestayhostels/

About Safestay plc:
Safestay PLC, one of Europe's largest hostel groups, operates in the exciting and growing hostel segment of the global hospitality market. Worth approximately US 6.53bn in 2026, it is estimated to grow to US 15.25bn by 2034 (The Market Data Forecast, 2025).

Safestay's operational sites of 20 premium hostels and one hotel offer guests both private and shared rooms in destination cities across the UK, Spain, Belgium, Czech Republic, Greece, Italy, Poland, Portugal, Austria and Slovakia.

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.

Safestay's pan-European locations include:

- Kitzbühel Alpine, Austria (Franchise)

- Kitzbühel Centre, Austria (Franchise)
- Brussels Grand Place, Belgium
- Prague Charles Bridge, Czechia
- Athens Monastiraki, Greece
- Naples, Italy
- Pisa Centrale, Italy
- Warsaw Old Town, Poland
- Lisbon Bairro Alto, Portugal
- Bratislava Presidential Palace, Slovakia
- Barcelona Gothic, Spain
- Barcelona Passeig de Gracia, Spain
- Calpe Seafront, Spain (in development)
- Córdoba Mezquita Catedral, Spain
- Madrid Central, Spain
- Brighton, UK
- Edinburgh Cowgate, UK (Franchise)
- London Elephant & Castle, UK
- London Kensington Holland Park, UK (sale exchanged, completion pending)
- York Micklegate, UK

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