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Takeover bid by ICAMAP of easyHotel PLC (EZH.LN)

Media statement by easyGroup (www.easy.com)

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Commenting on ICAMAP's offer to take over easyHotel PLC, company founder Sir Stelios Haji-Ioannou, owner of the easy family of brands (www.easy.com) and second largest shareholder in easyHotel PLC (after the bidder who are at 48%) , said:

"Yesterday (20 August 2019) I attempted to increase my stake in easyHotel PLC - buying more shares via the open market. My plan was to increase my stake in easyHotel PLC from the current level of c 27.5% to just under 30% However, we managed to find only ten thousand shares at 95p and despite bidding up to 96p we found no other willing sellers at that price. We will continue to buy shares in the open market up to the limit of just under 30%.

Clearly this purchase of a token number of shares (less than 0.01% of the share capital) was all that was available to my brokers and is evidence that there are not many sellers at 95p. This is proof that the real value of an easyHotel share today is well above ICAMAP's offer.

I ask all shareholders to join me in rejecting the current offer of 95p as I have done for our entire stake. This offer should in the normal course of events lapse on 17th September 2019 which is when they will tell us how many shares ICAMAP will own in easyHotel PLC after this process is over.

In addition, I would ask shareholders to reflect on a few key points that should help evaluate the real worth of easyHotel PLC :

- The current net book value (bricks and mortar buildings and cash on the balance sheet) is about 82p per share. (see balance sheet dated 31 March 2019 - total net assets of £119m including £30m in cash)
- There is at least another 10p per share of increased value (over the above the net book cost) arising from the Old St, London freehold property, recently revealed by the company in a sale brochure.
- The 95p bid completely fails to ascribe any value (over and above the bricks and mortar) to a fundamentally profitable business which is now growing very fast.
- Extra value should also be ascribed to the franchised hotels side of the business which grows company earnings without the need for CAPEX and additional equity.
- Investors should also note that ICAMAP paid 110p per share just 18 months ago and the stock has been as high as 128p just 15 months ago. It is therefore outrageous for ICAMAP to argue that the value of the company has gone down 14% since they made their last investment at 110p only 18 months ago when ICAMAP had just appointed Harm Meijer as an active board director. So who is ICAMAP blaming exactly for such value destruction? Or perhaps it has simply not occurred. I think ICAMAP are simply trying to "steal" this company from under the noses of other investors.

"So my message to my fellow shareholders is to do the same as me and reject the offer at 95 pence and hang on in there!"

Other points to note on the bidding process:

It is ridiculous that easyHotel PLC has revealed that their own £1.5m advisers' costs. Who is getting that sort of money in the space of couple of short months and recommending such a "low ball" offer?

In addition, there were some very suspicious stock option awards granted to various directors and executives on the eve of the ICAMAP bid well below the "low ball" offer. These need to be investigated.

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