

## **Julius Meinl Living: Update on Trading, Refinancing, Development Project and Equity Fund Launch**

Julius Meinl Living PLC, through its group companies, acquires prime real estate assets in major European political and economic capital cities for development into top rated hotel properties that comprise mainly apartments and that the group then operates itself (“Julius Meinl Living”).

Julius Meinl Living is fully owned by the Julius Meinl family who, over the last 162 years, have demonstrated their expertise and excellence in consumer goods, retail and real estate.

### **Trading update**

In 2023, the Julius Meinl Living group’s flagship 168 apartment property, The Julius Prague, achieved revenues of €10.3 million and EBITDA of €5.1 million. Unaudited financial information for the seven months to July 2024 indicates that revenues were 21.3% ahead of 2023 and EBITDA was 29.7% ahead.

The group’s smaller second property, the 51 apartment Escala Hotel & Suites in Budapest, continues to trade normally and is preparing for a refurbishment that is timetabled to commence in Q4 2024 and that should result in a step up in performance.

### **Refinancing of The Julius Prague**

Julius Meinl Living is pleased to announce that it recently agreed with a leading bank in the Czech Republic the terms of €68 million of new loans to refinance the group’s flagship 168 apartment property, “The Julius Prague”.

The new loans have now been disbursed and have increased by €18 million the amount borrowed against the property. The new loans will amortise with a final bullet repayment after 6 years, in the amount of €61.3 million.

As well as repaying all prior loans borrowed against The Julius Prague, the new loans ensure that the group will maintain a high level of liquidity following the maturity on 26 September 2024 of its existing 2019 / 2024 bonds (ISIN: XS2042981576). As such, the new loans will have no overall impact on the net leverage of the Julius Meinl Living group.

### **The Julius Bucharest**

The first stage of the process for obtaining the permits necessary for the redevelopment of the Ambassador Hotel into the Julius Bucharest is now complete. A certificate of urbanism has been received from the city authorities confirming the requirements for the eventual building and other permits.

In parallel, the process of finalising with a major regional bank the binding documentation for the financing of the redevelopment of the Ambassador Hotel is underway and should be completed in due course.

The Julius Bucharest remains on course to open in spring 2027.

### **Equity Draw Down**

In January 2024, the existing owner of Julius Meinl Living agreed to commit an additional €12 million of equity, of which €7m was drawn down in early 2024. The remaining €5 million has now also been drawn down.

### **Equity Fund Launch**

Recognising the success achieved by The Julius Prague, the “Julius Fund” was recently launched. The Julius Fund is a qualified investor fund in the Czech Republic. It is managed by CODYA investiční společnost, a. s., an entity licenced to operate by the Czech National Bank.

The Julius Fund is available to qualified investors only and is distributed by CODYA via independent financial advisers in the Czech Republic. The Julius Fund is not eligible for investment by retail investors.

The Julius Fund will invest in new non-voting shares issued by Julius Meinl Living PLC and (up to a maximum of 50% of its assets) in the new series of 2024 / 2029 bonds issued by JML Finance (Luxembourg) S.à r.l. (ISIN: XS2834253127).

Supported by the savings ratio in the Czech Republic having averaged 19% from 2020 to 2023, the market for qualified investor funds in the Czech Republic has grown by around 30% per annum since 2020. The total assets under management by qualified investor funds are currently in excess of €17 billion.

For Julius Meinl Living, the launch of The Julius Fund represents an opportunity to enhance its equity base whilst creating ongoing demand for the 2024 / 2029 bonds, thereby also increasing their liquidity.

### **Strategy and Pipeline**

With The Julius concept now proven, Julius Meinl Living is continuing the process of developing its portfolio of “The Julius” branded “luxury product / low operating cost” hotels that comprise mainly apartments and that are located in the major political and economic capital cities of Europe.

With the benefit of the capital that it is now able to draw in from multiple sources, in increasing amounts, Julius Meinl Living is progressing negotiations in relation to a number of identified and exciting pipeline properties and continues to seek additional pipeline opportunities, in both cases for eventual addition to The Julius portfolio.