ANNUAL REPORT 2024

Julius Meinl Living

BY HOUSE OF JULIUS MEINL

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Our Company

Julius Meinl Living PLC, through its group of 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 manages and operates itself.

The group's flagship properties use the name "The Julius" – drawing on the Julius Meinl family's 163-year expertise and excellence in consumer goods, retail and real estate.

As a hospitality brand, "The Julius" extends these traditions in an innovative manner, pairing comfort and coziness with the conveniences of modern technology. Aiming to provide both long stay and short stay guests with a luxurious "home away from home", "The Julius" properties can be found in attractive and central locations and afford guests the space to retreat and relax, to work effectively, to take advantage of top-class fitness facilities and to simply enjoy the comfort and services of a high-end residence.

"The Julius" aims to be a differentiated and better proposition than traditional hotels that is entirely focused on meeting the actual needs of today's demanding guests. It offers spacious rooms and apartments with high quality finishes and fittings, well-equipped kitchens together with expansive gourmet breakfasts and a carefully chosen food menu through the rest of the day; a bar and a coffee shop, meeting rooms, co-working spaces and a gym.

While "The Julius" delivers a wide array of services to its guests, it does so by means of efficient operations and a tightly controlled headcount. This business model enables "The Julius" to offer competitive prices to guests and at the same time to achieve best-in-class margins.

The first flagship property, “The Julius Prague” opened in spring 2022, with 168 rooms and apartments. Ever since it has drawn extensive praise from its guests. It is now the city’s best reviewed 5* property on Booking.com and one of the most reviewed properties. In addition, “The Julius Prague” has been widely acclaimed by a wide range of travel publications and other media.

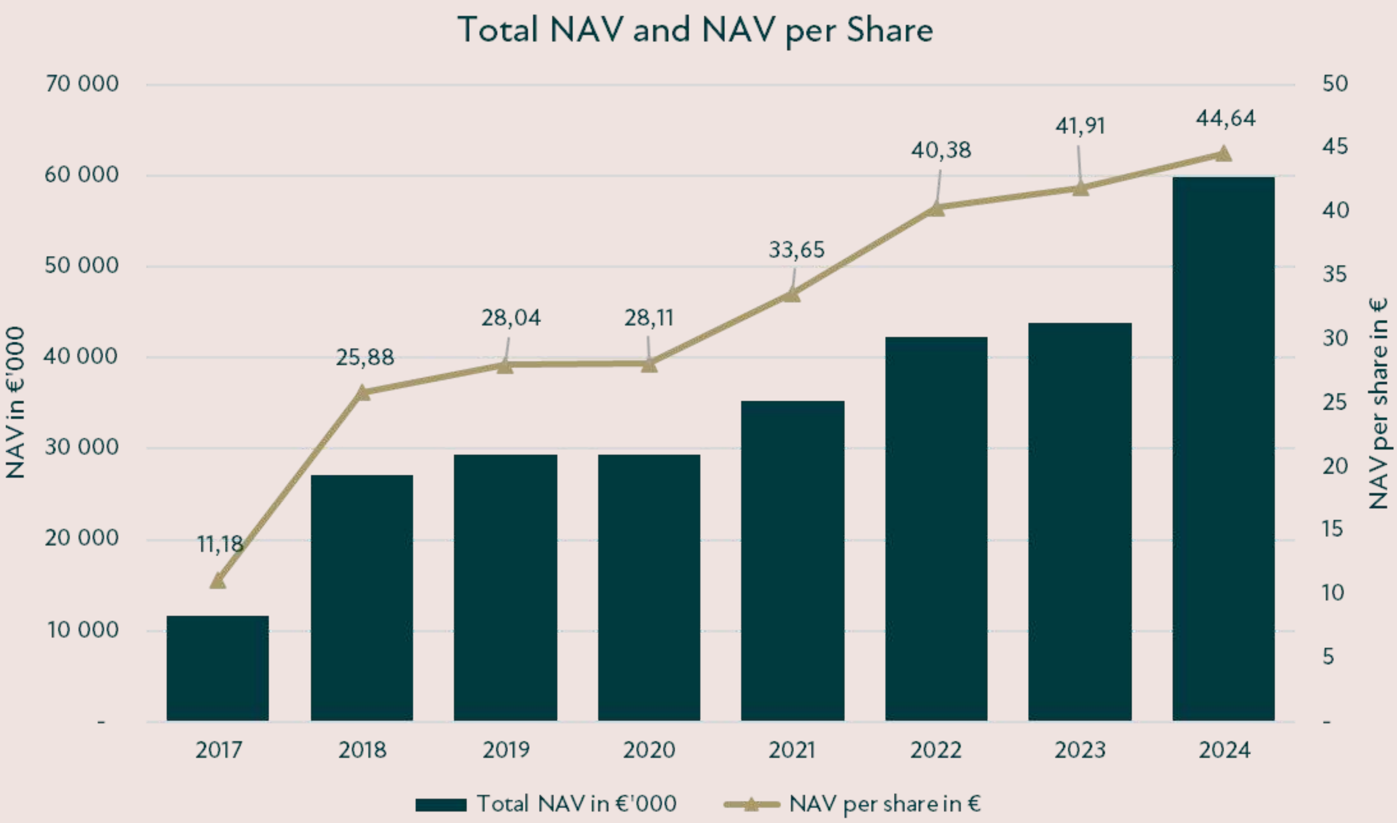
In March 2024, Julius Meinl Living acquired a further landmark property, the Hotel Ambasador in Bucharest. This property was constructed almost one hundred years ago as a fashionable art deco building in the centre Bucharest. During the years of communism, the Hotel Ambasador was the prime place to stay for international travellers to Bucharest. Since the acquisition, Julius Meinl Living has extensively prepared for the reconstruction of the property, with full scale construction to begin by mid-2025. Current planning foresees that “The Julius Bucharest” will have 160 rooms and apartments and will open in 2027.

In addition to the flagship “The Julius” branded properties, the group owns and operates a smaller serviced residence in Budapest, the Escala Hotel & Suites, which was acquired in 2021.

Following the success achieved with “The Julius Prague” and the acquisition of the Hotel Ambasador in Bucharest, to become “The Julius Bucharest”, the group is engaged in active negotiations to expand its footprint across both central and western Europe through further acquisitions. Hence ,the announcement of new transactions is expected during the course of 2025.

Key Figures

		2024	2023
Hotel Revenue	´000 €	13,575	11,952
Operating EBITDA	´000 €	3,084	2,274
Profit before tax	´000 €	9,836	5,008
Profit for the year	´000 €	4,941	2,181
Total assets	´000 €	169,297	142,963
Equity	´000 €	59,861	43,864
Earnings per share	€	4.42	2.08
Total number of properties	#	3	2
Total number of apartments	#	219	219



NAV is defined as Equity of Julius Meinl Living

Average NAV per Share growth since 2017 of 21.9% p.a.

Letter from the Board

Dear Stakeholders,

For Julius Meinl Living, 2024 has been a year full of opportunity, growth and success – in terms of operations, developments and financially.

As far as operations at the existing properties are concerned, The Julius Prague has now had its second full year after opening its doors in 2022. Having in 2023 outperformed our initial expectations, The Julius Prague again beat all forecasts in 2024, with revenues coming in about 10% higher than planned. This success can be attributed to a unique concept paired with a dedication to our guests – as evidenced on Booking.com with a property rating that has risen from 9.4 a year ago to 9.5 today, making The Julius the best rated 5* hotel in Prague. This performance is no statistical anomaly. The property is also one of the most rated in Prague.

As a consequence, The Julius Prague was able to meaningfully increase its average daily rate, its occupancy, its revenues, its profits and its margins throughout the full year of 2024. The challenge over the coming years will be to maintain this rate of attainment. Julius Meinl Livings's management on the hospitality side of the group is currently focused on developing plans to enable this challenge to be met, to further enhance the customer experience, retain the outstanding level of guest satisfaction and to translate these efforts into higher revenues and profitability.

On the development side, we completed the acquisition of the property in Bucharest that will become the next "The Julius" and progressed the property through the initial stages of the redevelopment process. The building has a fine history, a fantastic location and a highly stylish art deco aesthetic. Moreover, the hospitality sector in Bucharest is evolving very positively. Until recently, there were few attractive options for the discerning travellers. While a small number of recent high-quality openings have begun to change this, The Julius Bucharest will represent a step forward for the city as well as for our concept, even when judged against the successful The Julius Prague.

Going beyond present-day operations and developments, we have made progress on consolidating our financial standing as we expanded our equity base, refinanced our debts and laid the ground for further future inflows of capital. Since our business model is inherently capital intensive, we are pleased to have welcomed a major new regional lender to our family of banks. We are pleased also that we have made further increases in the number and quality of our bond holders. On the equity side, we are thankful for a significant injection of new equity by our existing shareholder. Also, we are excited to have created a pathway whereby third party investors can participate in the equity of the group via a new class of equity that has been conceived for issue to “The Julius Fund”, an independently managed qualified investor fund that is domiciled and regulated in the Czech Republic. With the benefit of all of these positive steps, Julius Meinl Living continues to enjoy a high level of liquidity and to have multiple options open to it for the financing of the variety of exciting future projects which we are working on.

Given all of these factors, we are confident that we will be able to continue to outperform in a growing market without sacrificing but rather by focusing on the disciplined cost approach that has made The Julius Prague so profitable.

Yours Sincerely,
The Board of Directors
Julius Meinl Living

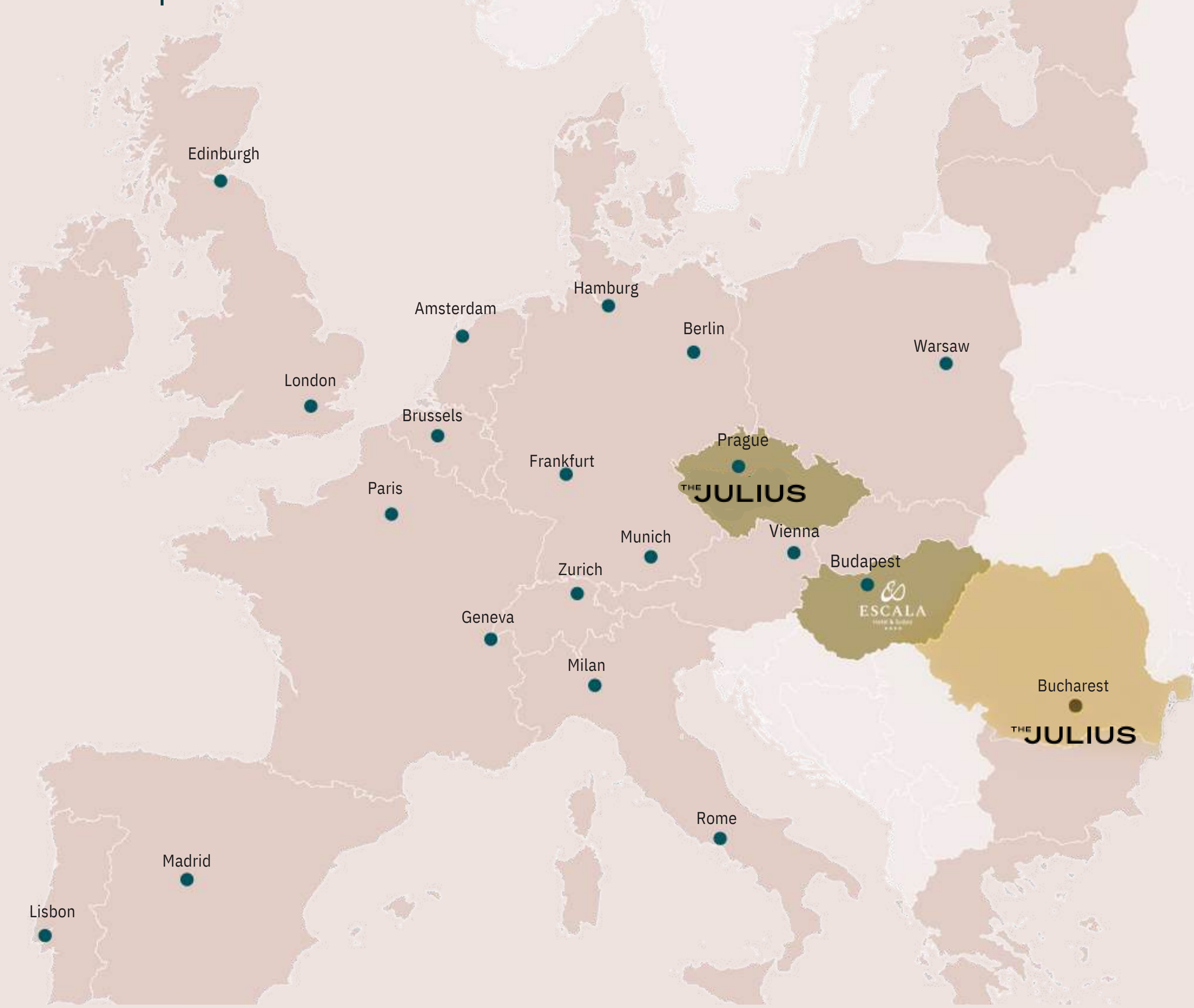
Our Properties

Julius Meinl Living aims for “The Julius” to become a genuine pan-European brand with flagship properties in central and dominant locations in the political and commercial capitals of western and central Europe.

A number of negotiations are progressing at this stage in relation to several exciting pipeline properties for the eventual addition to The Julius portfolio, in Western, Southern and Central Europe.

With the benefit of the financing raised through 2024 and its ongoing initiatives to widen its funding base, Julius Meinl Living is now well-placed to move forward with those acquisitions.

The map below shows Julius Meinl Living’s current presence and indicates focus cities for future acquisitions.



The Julius Prague

The Julius Prague enjoys great visibility in the centre of Prague, being located on a highly accessible square that is in proximity to the Old Town, to Wenceslas Square, to main retail streets and to the offices of many of the Czech Republic's key financial institutions and corporates. This makes the location a perfect base for leisure as well as business visitors to Prague.

Following a full reconstruction to the high standards of Julius Meinl Living, “The Julius Prague” accommodates 168 apartments with an average size of 41m2. The Julius Prague also includes a lounge, two bars, a restaurant capable of seating approximately 100 guests, a gym, meeting rooms, coworking spaces and underground parking. In addition, the property incorporates a gourmet food store under the “House of Julius Meinl” brand. This store provides an extra convenience for guests but has also proven popular with the local community.

Since its opening in the spring of 2022, “The Julius Prague” has performed outstandingly. In its first full year of operation in 2023, total revenues reached €10.3 million and hotel EBITDA was €5.1 million, representing a hotel EBITDA margin of 50%. In 2024, further gains were achieved as total revenues climbed to €12.2 million (+18%) and hotel EBITDA was €6.4 million (+25%), representing a hotel EBITDA margin of 52%.

This strong performance has been achieved with a very lean headcount as “The Julius Prague” employed on average only 37 full time equivalent team members through the year (plus outsourced housekeeping).

The market value for the property as at year-end 2024 amounted to €113.3 million as compared to €110.4 million as at year-end 2023.

The support and feedback from our guests who stayed at the property has been stunning and turned out to be a key factor for the success of “The Julius Prague”. As of the date of this report, the property has received 6,079 reviews on Booking.com, with an average score of 9.5.

The Julius Bucharest

The superb performance of “The Julius Prague”, has reinforced Julius Meinl Living’s intention to roll-out “The Julius” across the major political and economic capital cities of Europe, with the same “luxury product / low operating cost” model.

In March 2024, the Group acquired Ambasador SA and through this company now owns the historic 12,600 sqm Hotel Ambasador in Bucharest, Romania. This property will be redeveloped into “The Julius Bucharest”.

The Hotel Ambasador has a long operating history going back to the interwar period and continuing as a flagship hospitality venue throughout the communist days. It is Julius Meinl Living’s intention to bring the Hotel Ambasador back to its original splendor and revive the building’s art deco heritage.

“The Julius Bucharest” is will open in 2027 with 160 apartments. The property will include a lobby bar on the ground floor and an 11th floor restaurant capable of seating over 100 guests with breathtaking views over the city. The restaurant will be a destination by itself, for international guest and locals alike. The property will also include meeting rooms and a gym, as well as a boutique selling a selected range of House of Julius Meinl-branded gourmet foods, drinks and personal care products.

Since acquisition, Julius Meinl Living has made solid progress in all of the workstreams that are required to be completed before the actual reconstruction of the property can begin.

The Julius Bucharest- continued

In advance of the issue of the building permit, the property has been stripped out with just the façade, roof, frame and floors remaining. These strip out works are completed and the site is ready for the commencement of the main construction works. The process of selecting a general contractor to lead the reconstruction is now advanced. The start of construction is anticipated for the summer of 2025.

In parallel, Julius Meinl Living has been actively working with the relevant city offices, including the cultural and fire authorities, as well as the owners of neighbouring properties, in order obtain with a minimum of delay all confirmations necessary for the eventual issuance of a building permit.

In December 2024, Julius Meinl Living concluded with a major regional bank an agreement to finance The Julius Bucharest through reconstruction and thereafter for a period of five years.

The fair value of The Julius Bucharest is assessed in the group's accounts as being €26.6m (2023: €0).

The Escala Budapest

The Escala Hotel & Suites Budapest is located in the Corvin district in Budapest, next to the Corvin Shopping Centre and the Corvin Promenade leading to the Corvin Innovation Center, an office park that houses numerous international technology firms. The property also boasts easy access to public transport and connections to the airport.

The Escala Hotel & Suites Budapest has been operating as a serviced residence since it was acquired by Julius Meinl Living in the summer 2021.

The property has 51 apartments with an average size of 54 sqm – all have a fully equipped kitchens, a dining area and most of them include a private balcony or terrace. There is also a breakfast lounge and underground parking.

Total revenues for 2024 were €1.3 million and hotel EBITDA was €0.3 million, representing a hotel EBITDA margin of 21% which is expected to improve significantly in 2025 following a refurbishment of the property.

The market value for the property as of year-end 2024 amounted to €10.1 million, unchanged as compared to year-end 2023.

Through 2024, Julius Meinl Living has undertaken a limited, yet comprehensive refurbishment of the Escala Hotel & Suites to protect and enhance its market position and its value, whilst keeping the property fully in operation. The majority of the rooms have now been upgraded and the programme is expected to complete after the busy summer season in the autumn of 2025. With the benefit of a better part of the work done, trading so far in 2025 is well ahead of 2024.

Our Financials

At “The Julius Prague” revenues for 2024 were €12.2 million (+18% as compared to 2023) and a hotel EBITDA was €6.4 million (+25%), representing hotel EBITDA margin of 52% (2023: 50%).

At the Escala Hotel & Suites, revenues for 2024 were €1.3 million and a hotel EBITDA was €0.3 million, representing hotel EBITDA margin of 21%.

The Julius Meinl Living group therefore achieved top-line total revenues of €13.6 million (+13% as compared to 2023) and a hotel EBITDA of €6.7 million (+16% as compared to 2023). Group costs amounted to €3.5 million, resulting in an operating EBITDA of €3.1 million, excluding other operating and financial costs and net valuation gains (+35% as compared to 2023).

Through the year, the value of Julius Meinl Living’s properties rose from €120.2 million to €149.9 million. Included in this increase was a fair value gain on the group’s properties of €16.1 million. Most of the remaining difference reflects the purchase cost of the Hotel Ambasador.

Taking into account finance costs of €8.6 million and overall positive foreign exchange differences of €1.4 million, this resulted in a profit before tax of €9.8 million.

On this profit, no material current tax is payable. However, mainly linked to the net valuation gain of €16.1 million, there is a deferred tax charge of €4.9 million. After deducting this amount, the profit for 2024 was €4.9 million.

As at 31 December 2024, Julius Meinl Living had cash of €16.5m (2023: €19.0m) and net financial debt of €73.2m (2023: €64.5m).

In addition to arranging development finance for The Julius Bucharest, Julius Meinl Living in 2024 refinanced The Julius Prague. The achieved financial success of the property enabled the amount of debt secured against it to be increased €50.0m to €68.0m.

Financial Commentary

In advance of the redemption in September 2024 of the original €30.0m series of bonds issued by JML Finance (Luxembourg) S.à r.l. in 2019, the company successfully issued in July 2024 €25.0m of a new series of bonds (ISIN: XS2834253127). These will mature in July 2029.

During the course of 2024, the equity position of Julius Meinl Living was enhanced by the injection by its exiting owner of €12.0m of new cash equity.

In addition, at the end of 2024, the “Julius Fund” was launched as a qualified investor fund in the Czech Republic. Building on the recognition of the success of The Julius Prague, the Julius Fund is independently managed and available to qualified investors only. It is distributed via independent financial advisers as well as major banks in the Czech Republic.

The Julius Fund invests in new non-voting shares issued by Julius Meinl Living PLC and (up to a maximum of 50% of the fund’s assets) in bonds issued by JML Finance (Luxembourg) S.à r.l..

In light of the work done in 2024 to expand the equity base of Julius Meinl Living and to refinance its debts, the group is strongly capitalised and has no significant debt repayments until 2029.

CONSOLIDATED FINANCIAL STATEMENTS YEAR END 2024

Julius Meinl Living

Julius Meinl Living

Julius Meinl Living plc

C 76799

Report and consolidated financial statements

Year ended 31 December 2024

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Directors, officer, and other information

Directors:	Edward Camilleri Nadine Elisabeth Gilles *(until 23 July 2024)* Nicholas Peter Hill Erik Webb Dempsey Julius Meinl
Secretary:	Michael Scicluna
Registered office:	Office 16 Verdala Business Centre Level 1 LM Complex Brewery Street Zone 3, Central Business District Birkirkara CBD 3040 Malta
Country of incorporation:	Malta
Company registration number:	C 76799
Auditor:	Grant Thornton Fort Business Centre Triq L-Intornjatur, Zone 1 Central Business District Birkirkara CBD 1050 Malta

Directors' report

The directors present their report and the audited consolidated financial statements of Julius Meinl Living plc (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2024.

Principal activity

The principal activity of the Group is to acquire prime real estate assets in major European political and economic capital cities for development into top-rated hotel properties comprising mainly apartments which are managed and operated.

The Group's flagship properties use the name 'The Julius' – drawing on the Julius Meinl family's 163-year expertise and excellence in consumer goods, retail and real estate.

The first flagship property, 'The Julius Prague' opened in spring 2022, with 168 rooms and apartments. Ever since, it has drawn extensive praise from its guests. It is now one of the city's best and most reviewed properties. In addition, 'The Julius Prague' has been acclaimed by a wide range of travel publications and other media.

In March 2024, the Group acquired a further landmark property, the Hotel Ambasador in Bucharest through acquisition of Ambassador SA as new subsidiary of Julius Meinl Living Holdings Limited. This iconic property was constructed shortly before WWII and opened in 1939. Ever since, it has been a landmark art deco building in the centre Bucharest. Hotel operations were interrupted during WWII and in the early years of communism. However, in 1958 hotel operations were restored and have been carried out ever since. Over the next three years, the property will be redeveloped to become 'The Julius Bucharest', with an expected 158 rooms and apartments.

In addition to the flagship 'The Julius' branded properties, the Group owns and operates a smaller serviced residence in Budapest, the 'Escala Hotel & Suites', which was acquired in 2021.

Performance review

During the period under review, the Group registered a profit after tax of EUR4,940,921 (2023: EUR2,180,792) arising primarily from an increase in the fair value of investment properties.

The shareholders' funds at the end of the reporting period amounted to EUR59,861,342 (2023: EUR43,864,016).

Result and dividends

The result for the year ended 31 December 2024 is shown in the consolidated statement of comprehensive income on page 5.

No dividend is being recommended by the directors.

Future business developments

Following the success achieved with 'The Julius Prague', the Group plans to expand its footprint across Europe. Various additional properties, mostly re-development projects, are under consideration and the announcement of further acquisitions is expected in the near future.

The Group aims for 'The Julius' to become a genuine pan-European hotel brand with flagship properties in the major political and economic capitals of Europe. Therefore, following the acquisition of the historic Hotel Ambasador in Bucharest, Julius Meinl Living continues to progress its pipeline of future acquisitions.

Directors

The directors who served during the period were:

Edward Camilleri
Nadine Elisabeth Gilles *(until 23 July 2024)*
Nicholas Peter Hill
Julius Meinl
Erik Webb Dempsey

In accordance with the Company's Articles of Association, the present directors are to remain in office.

Auditor

A resolution to reappoint Grant Thornton as auditor of the Group will be proposed at the forthcoming Annual General Meeting.

Approved by the board of directors and signed on its behalf on 3 April 2025 by:

Edward Camilleri
Director

Erik Webb Dempsey
Director

Statement of directors’ responsibilities

The directors are required by the Companies Act (Cap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union which give a true and fair view of the state of affairs of the Group at the end of each financial year and of the profit or loss of the Group for the year then ended. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- account for income and charges relating to the accounting year on an accrual basis;
- value separately the components of asset and liability items;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business as a going concern; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and which enable the directors to ensure that the financial statements comply with the Companies Act (Cap. 386). This responsibility includes designing, implementing, and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Group, and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Consolidated statement of comprehensive income
Year ended 31 December 2024

	Notes	2024 EUR	2023* EUR
Hotel revenue		13,575,292	11,952,085
Hotel expenses		(4,825,672)	(4,410,119)
Net Hotel Income		**8,749,620**	**7,541,966**
Management services		-	17,891
Other income		47,342	58,546
Net revenue		**8,796,962**	**7,618,403**
General and administrative expenses		(7,930,901)	(7,377,060)
Net finance costs	*9*	(8,573,426)	(4,758,801)
Net foreign exchange differences*		1,426,908	604,644
Fair value gain on investment properties*	*18*	16,116,812	8,920,682
Profit before tax	*10*	**9,836,355**	**5,007,868**
Income tax expense	*12*	(4,895,434)	(2,827,076)
Profit for the year		**4,940,921**	**2,180,792**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Deferred exchange differences		(1,281,271)	(582,876)
Total comprehensive income		**3,659,650**	**1,597,916**
Profit for the year attributable to owners of the parent company		**4,940,921**	**2,180,792**
Basic earnings per share	*13*	**4.42**	**2.08**

The notes on pages 10 to 43 form an integral part of these consolidated financial statements.

* Comparative financial information adjusted due to change in accounting policy, for more information refer to note 8.

Consolidated statement of financial position
31 December 2024

	Notes	2024 EUR	2023 EUR
ASSETS AND LIABILITIES			
Non-current assets			
Goodwill	14	369,484	369,470
Property and equipment	15	119,483	141,287
Right-of-use assets	16	162,700	198,337
Intangible assets	17	109,247	159,926
Investment properties	18	149,935,486	120,193,925
Deferred tax assets	21	400,792	690,742
		151,097,192	**121,753,687**
Current assets			
Inventories	20	391,323	634,138
Receivables	19	1,347,702	1,107,766
Other current assets		3,791	475,669
Cash and cash equivalents	22	16,457,119	18,991,872
		18,199,935	**21,209,445**
Total assets		**169,297,127**	**142,963,132**
Current liabilities			
Trade and other payables	23	3,890,107	4,148,130
Bank borrowings	26	1,338,262	761,918
Lease liabilities	24	26,637	27,134
Debt securities in issue	25	-	29,836,978
Current tax liabilities		99,977	9,972
		5,354,983	**34,784,132**
Non-current liabilities			
Bank borrowings	26	70,252,306	52,872,973
Other financial liabilities		28,093	-
Lease liabilities	24	142,944	172,743
Debt securities in issue	25	18,058,650	-
Deferred tax liabilities	21	15,598,809	11,269,268
		104,080,802	**64,314,984**
Total liabilities		**109,435,785**	**99,099,116**
Net assets		**59,861,342**	**43,864,016**

Consolidated statement of financial position
31 December 2024

	Notes	2024 EUR	2023 EUR
EQUITY			
Share capital	27	1,332,930	1,011,651
Share premium	28	21,016,397	9,000,000
Translation reserve		(963,164)	318,107
Retained earnings		38,475,179	33,534,258
Total equity		**59,861,342**	**43,864,016**

The notes on pages 10 to 43 form an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the board of directors, authorised for issue on 3 April 2025 and signed on its behalf by:

Edward Camilleri
Director

Erik Webb Dempsey
Director

Consolidated statement of changes in equity
31 December 2024

	Share capital EUR	Share premium EUR	Translation reserve EUR	Retained earnings EUR	Total equity EUR
Balance at 1 January 2023	1,011,651	9,000,000	900,983	31,353,466	42,266,100
Profit for the year	-	-	-	2,180,792	2,180,792
Other comprehensive loss	-	-	(582,876)	-	(582,876)
Balance at 31 December 2023	**1,011,651**	**9,000,000**	**318,107**	**33,534,258**	**43,864,016**
Balance at 1 January 2024	**1,011,651**	**9,000,000**	**318,107**	**33,534,258**	**43,864,016**
Issue of new shares	321,279	12,016,397	-	-	12,337,676
Profit for the year	-	-	-	4,940,921	4,940,921
Other comprehensive loss	-	-	(1,281,271)	-	(1,281,271)
Balance at 31 December 2024	**1,332,930**	**21,016,397**	**(963,164)**	**38,475,179**	**59,861,342**

The notes on pages 10 to 43 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
Year ended 31 December 2024

	Notes	**2024** EUR	2023 EUR
Cash flows from operating activities			
Profit before tax		9,836,355	5,007,868
Non-cash adjustments	*31*	(8,830,904)	(4,516,929)
Changes in working capital	*31*	2,169,044	760,804
Interest received		34,166	56,540
Taxes paid		(41,515)	(48,277)
Net cash flows generated from operating activities		*3,167,146*	*1,260,006*
Cash flows from investing activities			
Payments to acquire subsidiaries		(7,838,162)	-
Payments to acquire intangible asset		(4,917)	(178,956)
Payments to acquire property and equipment		(45,328)	(93,523)
Net payments to develop investment properties		(5,843,623)	(1,120,703)
Net cash flows used in investing activities		*(13,732,030)*	*(1,393,182)*
Cash flows from financing activities			
Net proceeds from borrowings		17,955,677	14,467,423
Proceeds from debt securities issued		18,058,650	-
Redemption of debt securities		(29,836,978)	-
Proceeds from issue of share capital		12,337,676	-
Interest paid on borrowings		(6,025,974)	(2,400,620)
Interest paid on debt securities issued		(1,944,779)	(2,100,000)
Repayments of lease obligations		(30,296)	(29,516)
Interest paid on lease obligations		(11,753)	(5,316)
Net cash flows generated from financing activities		*10,502,223*	*9,931,971*
Net movement in cash and cash equivalents		**(62,661)**	**9,798,795**
Cash and cash equivalents at the beginning of the year		**18,991,872**	**9,099,143**
Effect of foreign exchange rate changes		(2,472,092)	93,934
Cash and cash equivalents at the end of the year	*22*	**16,457,119**	**18,991,872**

The notes on pages 10 to 43 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Nature of operations

The principal activity of the Company and the Group is to invest in, potentially develop and subsequently manage and operate real estate in the hospitality sector mainly in major cities across Europe. The Group focuses, in particular, on investments in luxury hotel residences.

2. General information and statement of compliance with International Financial Reporting Standards

The Company, a public limited company, is domiciled in Malta. These consolidated financial statements incorporate the financial statements of the Company and entities it controls (its subsidiaries).

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, which are stated at fair value, and in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). These consolidated financial statements have also been drawn up in accordance with the provisions of the Companies Act (Cap. 386).

3. Going concern

The consolidated financial statements of the Group have been prepared on the basis that the Group operates as a going concern, which assumes the Group will be able to discharge its liabilities as they fall due.

Management has the reasonable expectation that the Group has and will have adequate resources to continue in operational existence as a going concern for the foreseeable future.

4. Functional and presentation currency

These consolidated financial statements are presented in Euro, which is the Group’s functional currency.

5. New or revised standards or interpretations

5.1 New standards adopted as at 1 January 2024

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted are:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

These amendments do not have a significant impact on these consolidated financial statements and therefore no disclosures have been made.

5.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations published by the IASB or IFRIC include.

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

None of these Standards or amendments to existing Standards have been adopted early by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

With the exception of IFRS 18, these amendments are not expected to have a significant impact on the consolidated financial statements in the period of initial application and therefore no disclosures have been made. The Group will assess the impact on disclosures from the initial adoption of IFRS 18. IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027. The Group is not expected to early adopt this new standard.

6. Material accounting policies

An entity should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the financial statements.

Management has concluded that the disclosure of the Group's material accounting policies below are appropriate.

6.1 Overall considerations and presentation of consolidated financial statements

The consolidated financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

6.2 Basis of consolidation

The Group's financial statements consolidate those of the parent company and all its subsidiaries, undertakings drawn up to 31 December 2024. Subsidiaries are all entities over which the Group has power to control the financial and operating policies. Julius Meinl Living plc and its subsidiaries obtain and exercise control through voting rights. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

6.3 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

6.4 Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of acquisition over the fair value of identifiable assets, liabilities and contingent liabilities taken over at the date of acquisition. The Group assesses whether there are any indicators that goodwill is impaired at each reporting date.

6.5 Investment properties and Investment properties under development

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties are recognised as an asset when it is probable that the future economic benefits that are associated with them will flow to the entity and the costs can be measured reliably. Investment properties are initially measured at cost, including transaction costs.

Subsequent to their initial recognition, investment properties are measured at fair value at the end of the reporting period. Gains or losses arising from changes in the fair value of investment properties, adjusting for foreign exchange differences where necessary, are recognised in the consolidated statement of comprehensive income in the period in which they arise.

The fair value of the Group's property assets is estimated based on appraisals performed by independent, professionally qualified property valuers at the end of every financial year. The significant inputs and assumptions are developed in close consultation with management.

6.6 Property and equipment

Property and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. Property and equipment are subsequently measured at cost, less accumulated depreciation and impairment losses, if any.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value. The following useful lives are applied:

- Office equipment 2–5 years
- Motor vehicle 3–12 years

Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in consolidated statement of comprehensive income within other income or general and administrative expense.

6.7 Intangible assets

Intangible assets are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. Intangible assets are subsequently measured at cost, less accumulated depreciation and impairment losses, if any.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value. The useful live of 3-5 years is applied for IT development and software.

Subsequent expenditures on maintenance of software are expensed as incurred.

6.8 Impairment of non-financial assets and goodwill

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value-in-use. To determine the value-in-use, the Group's management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by the Group's management.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

6.9 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

The Group does not have any financial assets categorised as FVTPL and FVOCI in the periods presented.

The classification is determined by both:

- the Group's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the consolidated statement of comprehensive income are presented within 'net finance cost'.

Subsequent measurement of financial assets

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's receivables (excluding VAT recoverable and prepayments), other current assets, and cash and cash equivalents fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at FVTPL.

The recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’).

‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date.

‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Group’s financial liabilities include trade and other payables, lease liabilities, debt securities in issue and bank borrowings.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designates a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses – including gains of losses from foreign exchange differences – recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in the consolidated statement of comprehensive income are included within ‘net finance costs’.

6.10 Revenue and expense recognition

Revenue arises mainly from management services, residence operations, and finance income.

To determine whether to recognise revenue, the Group follows a 5-step process:
1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers is recognised when control of the Group’s services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

The Group evaluates all contractual arrangements it enters into and evaluates the nature of the promised goods or services, and rights and obligations under the arrangement, in determining the nature of its performance obligations. Where such performance obligations are capable of being distinct and are distinct in the context of the contract, the consideration the Group expects to be entitled under the arrangement is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue is recognised at an amount equal to the transaction price allocated to the specific performance obligation when it is satisfied, either at a point in time or over time, as applicable, based on the pattern of transfer of control.

Management services

Management services charged to customers are recognised during the period when the relevant service has been rendered.

Hotel revenue

Hotel revenue represents revenue from the hotel residence operations which are recognized during the period when the relevant service has been rendered.

Finance income

Finance income is accounted for on an accruals basis by reference to the principal outstanding and applicable interest rates.

Expenses

General and administrative expenses are recognised in the consolidated statement of comprehensive income upon utilisation of the service or at the date of their origin.

6.11 Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time until their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until such time the assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised as an expense in the consolidated statement of comprehensive income in the period in which they are incurred.

6.12 Leases

The Group as a lessee

The Group makes the use of leasing arrangements principally for the provision of office spaces with lease terms of 5.5 years without any extension terms. The Group does not enter into sale and leaseback arrangements.

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or in the consolidated statement of comprehensive income if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

6.13 Inventories

Inventories are stated at the lower of cost and net realisable value of the separate items or group of similar items. Cost is determined by the average method. Net realisable value is the price at which stock can be realised.

6.14 Taxation

Current and deferred tax is charged or credited to profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

The charge for current tax is based on the taxable result for the period and any adjustment to tax payable in respect of previous years. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

6.15 Employee benefits

The Group contributes to the state pension for employees on its payroll in accordance with the applicable legislation in the relative jurisdiction. Obligations for such contributions are recognised as expense in the consolidated statement of comprehensive income when they are due.

6.16 Foreign currencies

Individual Group entities may use functional currencies different from the Group's functional and reporting currency. In preparing the financial statements of each individual Group entity, transactions in currencies other than the Group's functional and reporting currency (euro) are recognised at the rates of exchange prevailing at the dates of the transactions.

For the purpose of preparing the financial statements of individual Group entities, at the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Foreign exchange differences on monetary items are recognised in profit or loss in the period in which they arise. Non-monetary items carried at fair value, that are denominated in foreign currencies, are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's individual Group entities are translated into euro using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Foreign exchange differences, if any, from the conversion at exchange rates at the end of the reporting period and conversion at average exchange rates are not recognized as profit or loss in the reporting period but are shown in other comprehensive income as deferred exchange differences - to be recognised in later reporting periods - and accumulated in equity as a translation reserve.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation are reclassified in the consolidated statement of comprehensive income.

6.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

6.18 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premium received on the issue of share capital.

Translation reserve comprises foreign currency translation differences arising from the translation of the financial statements of the Group's foreign entities into euro.

Retained earnings include all current and prior period retained profits less dividend distributions.

All transactions with owners are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in trade and other payables when the dividends are approved in general meeting prior to the end of the reporting period.

6.19 Provisions

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be measured reliably. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, such as product warranties, legal disputes or onerous contracts. Provisions are not recognised for future operating losses. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term obligations are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting period and adjusted to reflect the current best estimate of the management.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

7. Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the Group's consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income, and expenses.

Significant management judgement
The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of non-financial assets and goodwill
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see note 6.8).

Useful lives and residual values of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above.

Inventories
Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Business combinations
Management uses various valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination (see note 6.3).

Fair value measurement
Management uses various valuation techniques to determine the fair value of financial instruments and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Leases
The Group enters into lease of office with third-party landlord. The lease payments are discounted using the lessee's incremental borrowing rate. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available which are based on available market data.

8. Changes in accounting policies

Change in classification of foreign exchange gains or losses on revaluation of the investment properties

The Group reclassified the effect of changing foreign exchange rates on the revaluation of the investment property from fair value gain on investment properties to net foreign exchange differences, which includes all other effects of changing foreign exchange rates. Management concludes that the adjusted presentation is more relevant. Comparative information for the year ended 31 December 2023 was adjusted accordingly. The change in the accounting policy had no impact on the consolidated statement of financial position, the impact on the consolidated statement of comprehensive income is presented in the table below:

	2023	Effect of the accounting policy change	2023 adjusted
Net foreign exchange differences	(1,519,817)	2,124,461	604,644
Fair value gain on investment properties	11,045,143	(2,124,461)	8,920,682
Nett effect	**9,525,326**	**-**	**9,525,326**
Profit before tax	**5,007,868**	**-**	**5,007,868**

9. Net finance costs

	2024	2023
	EUR	EUR
Interest expense on debt securities issued	(2,646,510)	(2,409,406)
Interest expense on leases	(11,753)	(5,315)
Interest expense on borrowings	(4,394,345)	(2,400,620)
Other financial expense (prepayment fee for bank loan and new loan fees)	(1,631,628)	-
Finance income	110,810	56,540
Net finance costs	(8,573,426)	(4,758,801)

10. Profit before tax

Profit before tax is stated after charging the items below:

	2024	2023
	EUR	EUR
Auditor's remuneration	97,980	69,063
Key management personnel compensation (note 11)	385,000	85,000
Depreciation and amortisation	148,579	99,336

11. Key management personnel compensation

	2024	2023
	EUR	EUR
Directors' remuneration	385,000	85,000

12. Income tax expense

	2024	2023
	EUR	EUR
Deferred tax expense	(4,848,945)	(2,807,170)
Current tax expense	(46,489)	(19,906)
	(4,895,434)	(2,827,076)

Tax applying the statutory domestic income tax rate and the income tax expense for the year are reconciled as follows:

	2024	2023
	EUR	EUR
Profit before tax	9,836,355	5,007,868
Tax at the applicable rate of 35%	(3,442,725)	(1,752,753)
Tax effects of:		
Tax rate applicable in foreign jurisdictions	114,496	1,112,244
Expenses not deductible for tax purposes	(831,805)	(41,383)
Accrued income	291,473	(255,835)
Deferred tax asset not recognised	(602,897)	(931,867)
Unrealised foreign exchange differences	(118,842)	(62,496)
Flat rate foreign tax credit relief	-	547
Tax refund receivable	(278,024)	-
Adjustment to previous year's tax charge	-	(1,058,549)
Notional interest deduction claimed	18,700	163,016
Deemed national interest received	(45,810)	-
Income tax expense for the year	(4,895,434)	(2,827,076)

Refer to note 21 for details of deferred tax assets and liabilities.

13. Basic earnings per share

The calculation of earnings per share is based on the profit for the year attributable to owners of the parent company over the number of ordinary shares outstanding during the year.

14. Goodwill

The movements in the net carrying amount of goodwill are as follows:

	2024	2023
	EUR	EUR
Gross carrying amount		
As at 1 January / 31 December	528,290	528,290
Accumulated impairment		
As at 1 January	(158,820)	(158,841)
Impairment loss recognised	14	21
As at 31 December	(158,806)	(158,820)
Carrying amount at 31 December	369,484	369,470

15. Property and equipment

	2024	2023
	EUR	EUR
Office equipment		
Cost		
As at 1 January	455,174	623,810
Additions during the year	45,328	93,524
Disposals during the year	-	(264,604)
Foreign exchange adjustments	(2,829)	2,444
As at 31 December	497,673	455,174
Accumulated depreciation		
As at 1 January	348,750	371,634
Charge for the year	44,108	44,626
Disposals during the year	-	(67,510)
As at 31 December	392,858	348,750
Net book value as at 31 December	104,815	106,424

Motor vehicles		
Cost		
As at 1 January	124,832	125,618
Foreign exchange adjustments	(587)	(786)
As at 31 December	124,245	124,832
Accumulated depreciation		
As at 1 January	89,969	69,452
Charge for the year	19,608	20,517
As at 31 December	109,577	89,969
Net book value as at 31 December	14,668	34,863
Total	119,483	141,287

As the property and equipment is owned by a Group entity with different functional currency than euro, the foreign exchange adjustment arises due to difference between the exchange rates at the end of the current and the end of the previous reporting period. A further adjustment is made to account for the effects arising from differences between exchange rates at the end of the period and average exchange rates during the period for the depreciation incurred in relation to the asset. For more details see note 6.16.

16. Right-of-use assets

	2024	2023
	EUR	EUR
Office premises		
Cost		
As at 1 January	212,327	131,026
Acquired during the year	-	211,922
Disposals during the year	-	(131,026)
Foreign exchange adjustments	(3,548)	405
As at 31 December	208,779	212,327
Accumulated depreciation		
As at 1 January	13,990	113,485
Charge for the year	32,089	13,990
Disposals during the year	-	(113,485)
As at 31 December	46,079	13,990
Net book value as at 31 December	162,700	198,337

Refer to note 24 for further details about the Group's leases.

As the office premises are leased by a Group entity with different functional currency than euro, the foreign exchange adjustment arises due to difference between the exchange rates at the end of the current and the end of the previous reporting period. A further adjustment is made to account for the effects arising from differences between exchange rates at the end of the period and average exchange rates during the period for the depreciation incurred in relation to the asset. For more details see note 6.16.

17. Intangible assets

	2024	2023
	EUR	EUR
Intellectual rights		
Cost		
As at 1 January	180,796	1,234
Acquired during the year	4,917	178,956
Foreign exchange adjustments	(2,822)	606
As at 31 December	182,891	180,796
Accumulated depreciation		
As at 1 January	20,870	667
Charge for the year	52,774	20,203
As at 31 December	73,644	20,870
Net book value as at 31 December	109,247	159,926

As the intangible asset is held by a Group entity with different functional currency than euro, the foreign exchange adjustment arises due to difference between the exchange rates at the end of the current and the end of the previous reporting period. A further adjustment is made to account for the effects arising from differences between exchange rates at the end of the period and average exchange rates during the period for the depreciation incurred in relation to the asset. For more details see note 6.16.

18. Investment properties

	2024	2023*
	EUR	EUR
As at 1 January	120,193,925	112,500,132
Additions during the year	13,681,785	40,573
Acquisition cost adjustment	-	(1,015,755)
Fair value gains*	16,116,812	8,920,682
Foreign exchange adjustments*	(57,036)	(251,707)
As at 31 December	149,935,486	120,193,925

**The Group reclassified the effect of changing foreign exchange rates on the revaluation of investment properties in the amount of EUR2.124 million from Fair value gains to Net foreign exchange differences. Comparative information was adjusted accordingly, refer to note 8 for more information*

Investment properties of the Group as at 31 December 2024 relates to hotel residences located in Prague (Czech Republic), Budapest (Hungary) and Bucharest (Romania). The latter property was acquired during the course of 2024.

The fair value of the Group's property assets is estimated based on appraisals performed by independent, professionally qualified property valuers (the "Valuer") at the end of every financial year. The significant inputs and assumptions are developed in close consultation with management.

The appraisals have been prepared in accordance with RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2022, together the ''Red Book'', in particular in accordance with the requirements of VPS 3 entitled Valuation reports and VPGA 2 Valuation of interests for secured lending, as appropriate.

In the Czech Republic, investment property includes 'The Julius Prague', which was opened in spring of 2022. The Valuer considered the following structure for this property:

1. 'The Julius Prague' with 168 rooms with size from 23 to 60+ sqm, F&B area, conference space and 29 underground parking spaces.
2. The retail unit is operated under a lease agreement by reputable third-party operator.

In 2024, the Valuer prepared the valuation based on a nominal discount rate of 8.25% (2023: 8.50%) and on basis of an exit cap rate of 6.25% (2023: 6.25%) which represents the value of EUR113,270,000 (2023: EUR110,090,000).

In Hungary, investment property includes the 'Escala Hotel & Suites', a service residence located in Budapest. The property consists of the following:

1. The residence element (51 rooms of average size of 47.5 sqm) operated by the owner.
2. A breakfast lounge on 110 sqm operated by the owner.
3. 20 underground parking spaces.

The Valuer prepared the valuation on basis of nominal discount rate of 10.5% (2023: 10.80%) and capitalization rate of 8.25% (2023: 8.25%) which represents the value of EUR10,100,000 (2023: EUR10,100,000).

In Romania the investment property includes a real estate property under development in Bucharest.

The Valuer considered the following structure for the property:
1. The Aparthotel element (160 units rooms of average size of 34 sqm)
2. F&B outlet which a breakfast room/restaurant and executive lounge with a terrace of 180 sqm
3. 30 external parking spaces + 40 places on a nearby land plot
4. House of Julius Meinl Boutique of 150 sqm
5.130 sqm gym with 50 sqm terrace.

The property is accounted for in the financial statements of the Group at its estimated fair value upon completion as established by the Valuer and taking into account management's reasonable estimation of construction and other cost of completion that would be incurred by any market participant. The valuation was prepared on basis of nominal discount rate of 10.3% and capitalization rate of 7.75% which represents the value of EUR60.0 million and the fair value of The Julius Bucharest is assessed in the group's accounts as being EUR26.6 million.

The following valuation technique used in measuring the fair value of investment properties as well as the significant unobservable inputs were used:

Valuation technique

Discounted cash flows:

The valuation model considers the present value of net cash flows to be generated from the property, taking into account, rental rates and expected rental growth rate, occupancy rate and void periods together reflected in vacancy rates, construction costs, opening and completion dates, lease incentive costs such as rent-free periods, taxes and other costs not paid by tenants. The expected net cash flows are discounted using the risk-adjusted discount rates plus the final year stream is discounted with the terminal capitalisation rate. Among other factors, discount rate estimation considers the type of property, location, tenants and lease terms.

Inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase/(decrease) if:

- Average rental rates were higher/(lower) hence higher/(lower) net rental income
- The vacancy rates were lower/(higher)
- The risk-adjusted discount rates were lower/(higher)
- The exit yield was lower/(higher)

Significant unobservable inputs

The Julius Prague, Czech Republic:

Annual gross rental income: EUR12.2 million in year 1 of cash flow (2023: EUR 10.7 million) increasing to EUR15.0 million in year 5 (2023: EUR14.8 million);
Occupancy rate: 76% for year 1 (2023: 73%), 79% for year 2 (2023: 77%), 82% from year 3 (2023: 79%);
Discount rate: 8.25% (2023: 8.50%);
Exit yield: 6.25% (2023: 6.25%);

Escala Hotel & Suites, Budapest, Hungary:

Annual gross rental income: EUR1.6 million in year 1 of cash flow (2023: EUR 1.8 million) increasing to EUR2.3 million in year 5 (2023: EUR2.3 million);
Occupancy rate: 65% for year 1 (2023: 75%), 73% for year 2 (2023: 81%), 78% from year 3 (2023: 84%);
Discount rate: 10.50% (2023: 10.80%);
Exit yield: 8.25% (2023: 8.25%);

The Julius Bucharest, Romania (property under development):

Annual gross rental income: EUR7.7 million in year 1 of cash flow increasing to EUR11.2 million in year 5;
Occupancy rate: 64% for year 1, 70% for year 2 and 74% from year 3;
Discount rate: 10.30%;
Exit yield: 7.75%;

The Julius Prague and Escala Hotel & Suites properties are pledged as security for the related bank borrowings (see note 26).

19. Receivables

	2024	2023
	EUR	EUR
Trade receivables	109,697	194,844
Accrued income	89,694	111,241
Other receivables	114,635	235,174
Financial assets	314,026	541,259
Prepayments	658,918	403,573
VAT recoverable	374,758	162,934
Total receivables	1,347,702	1,107,766
Comprising:		
Current	1,347,702	1,107,766
	1,347,702	1,107,766

Prepayments during the year includes costs relating to revenues from management services which will be generated in subsequent periods.

20. Inventories

	2024	2023
	EUR	EUR
Hotel room equipment	298,439	581,165
Others	92,884	52,973
	391,323	634,138

Hotel room equipment includes duvets, linens, towels and apartments kitchen equipment. Other inventories include food and amenities.

21. Deferred taxation

	2024		2023	
	Deferred tax assets	**Deferred tax liabilities**	Deferred tax assets	Deferred tax liabilities
	EUR	**EUR**	EUR	EUR
At 1 January	690,742	11,269,268	-	8,012,347
Movement for the year	(278,024)	5,126,969	711,372	2,095,798
Effect of foreign exchange	(11,926)	(797,428)	(20,630)	1,161,123
At 31 December	400,792	15,598,809	690,742	11,269,268

In accordance with the requirements of IAS 12 *Income Taxes*, the Group has recognised a deferred tax liability on the temporary difference arising from the change in fair value of its investment property as at 31 December 2024 and 2023. The deferred tax asset arises on tax losses carried forward incurred by the Group company.

22. Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flows comprise the following:

	2024	2023
	EUR	EUR
Cash at bank	16,457,119	18,991,872

Out of the cash at bank, the amount of EUR3,135,000 (*2023:* EUR2,784,538) is on Interest Reserve Bank Accounts. Restriction on the interest reserve account will only apply upon the occurrence of a default event as defined in the Interest Reserve Account Pledge Agreement.

23. Trade and other payables

	2024	2023
	EUR	EUR
Trade payables	992,433	1,261,127
Accruals	2,083,050	1,506,115
Other payables	-	1,182,349
Financial liabilities	3,075,483	3,949,591
Statutory liabilities	150,856	43,154
Other payables	663,768	155,385
Total trade and other payables	3,890,107	4,148,130

24. Leases

The lease liability is presented in the consolidated statement of financial position as follows:

	2024	2023
	EUR	EUR
Current	26,637	27,134
Non-current	142,944	172,743
	169,581	199,877

The Group has a lease for office premises, which is reflected as a right-of-use asset and a lease liability in the consolidated statement of financial position.

The lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. The lease is either non-cancellable or may only be cancelled by incurring a substantive termination fee. Upon termination, the right-of-use asset shall be returned to the lender in as good a condition as when received by the Group, except for reasonable wear and tear. The Group is prohibited from lending or transferring the underlying leased asset. The Group shall ensure that these assets are at all times kept in a good state of repair and return the properties to their original condition at the end of the lease. Further, the Group must insure and incur maintenance fees on such items in accordance with the lease contract.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in the consolidated statement of financial position in the current and in the previous years:

Right-of-use asset	Office premises
No. of right-of-use assets leased	1
Range of remaining term	5
Average remaining lease term	5
No. of leases with variable payments linked to an index	1

The lease liability is secured by the related underlying asset. Future minimum lease payments at each reporting date are as follows:

Minimum lease payments

As at 31 December 2024

	Not later than 1 year EUR	**Later than 1 year but not later than 5 years EUR**	**Total EUR**
Lease payments	38,469	166,210	204,679
Finance charges	(11,832)	(23,266)	(35,098)
Net present values	26,637	142,944	169,581

As at 31 December 2023

	Not later than 1 year EUR	Later than 1 year but not later than 5 years EUR	Total EUR
Lease payments	41,293	208,496	249,789
Finance charges	(14,159)	(35,753)	(49,912)
Net present values	27,134	172,743	199,877

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed as incurred and included as part of general administrative expenses in the consolidated statement of comprehensive income.

Additional information on the right-of-use asset is disclosed in note 16.

25. Debt securities in issue

The carrying amounts of debt securities in issue are as follows:

	2024	2023
	EUR	EUR
Non-current		
Bonds denominated in EUR	18,058,650	-
Current		
Bonds denominated in EUR	-	29,836,978

The bonds were issued by JML Finance (Luxembourg) S.a.r.l., a subsidiary of the Group, as follows:

2024	
Placement:	EUR18,840,000
Date of issue:	11 July 2024
Coupon rate	7.00% per annum and payment-in-kind interest of 20% payable at maturity
Maturity date:	11 July 2029

2023	
Placement:	EUR29,900,000
Date of issue:	26 September 2019
Coupon rate	7.00% per annum
Maturity date:	26 September 2024

26. Bank borrowings

	2024	2023
	EUR	EUR
Non-current	70,252,306	52,872,973
Current	1,338,262	761,918
	71,590,568	53,634,891

In December 2023, the PPH Nove Mesto s.r.o., the owner of the property in Prague, entered into a loan agreement with a bank. The loan was used to repay an original loan from the same bank and to refinance intercompany loans from the Company and Julius Meinl Living Holdings Limited. The credit line was EUR50 million. The interest rate was 3M EURIBOR (min. 0%) plus a margin of 3.45% per annum.

In September 2024, the company entered into a new loan agreement with a bank. The loan was used to repay the abovementioned loan, as well as to provide additional liquidity to the Group. The credit line is EUR68,000,000. The interest rate is 3M EURIBOR (min. 0%) plus a margin of 3.65% per annum for an amount up to EUR50 million and 1Y EURIBOR (min. 0%) plus a margin of 7.00% per annum for an amount above EUR50 million.

The loan is secured by a mortgage, granted by PPH Nove Mesto s.r.o. over the investment property in Prague, Czech Republic (see note 18) including negative pledge, pledge and subordination of shareholder loan to borrower, pledge of insurance receivables from asset’s insurance, pledge of all Julius Meinl Living Holdings Limited shares in PPH Nove Mesto s.r.o. , including negative pledge, pledge of all borrower's bank accounts, borrower's promissory note, notarial deed with direct enforceability.

In 2021, JM Hospitality Hungary Kft, the owner of the property in Budpaest, entered into a loan agreement with a bank to refinance a previous inter-Group loan. Credit line is EUR3,925,000 and the interest rate is 1M EURIBOR (min. 0%) plus a margin of 3.50% per annum. Repayment in equal installments of EUR32,708 started on 31 March 2023

The loan is secured by amortgage, pledge over quota, pledge over movable assets, pledge over claims and receivables, a borrower's promissory note, notarial deed with direct enforceability and a cost overrun guarantee issued by the Company.

27. Share capital

Authorised No of shares	**2024 EUR**	2023 EUR
Ordinary A shares of EUR1.00 each	1,000,000	1,000,000
Ordinary B shares of EUR1.00 each	150,000,000	150,000,000
Redeemable Preference C shares of EUR0.001 each	10,000	-
Ordinary Deferred of EUR1.00 each	1,000,000	-
Preference Cumulative shares of EUR1.00 each	-	15,000
	152,010,000	151,015,000

Issued and called up 2024	**Issued and called up EUR**
46,601 Ordinary A shares of EUR1.00 each 100% paid up	46,601
1,286,321 Ordinary B shares of EUR1.00 each 100% paid up	1,286,321
8,140 Redeemable Preference Shares C of EUR0.001 each 100% paid up	8
	1,332,930

Issued and called up 2023	Issued and called up EUR
46,600 Ordinary A shares of €1 each 25% paid up	11,650
1 Ordinary A share of €1 100% paid up	1
1,000,000 Ordinary B shares of €1 each 100% paid up	1,000,000
	1,011,651

The Company was incorporated on 9 August 2016 with an authorised share capital of EUR151,015,000 made up of 1,000,000 ordinary A shares and 150,000,000 ordinary B shares, all having a nominal value of EUR1 each and 150,000,000 cumulative preference shares with a nominal value of EUR0.0001 each.

Upon incorporation, the Company issued share capital amounting to EUR11,650 comprising 46,600 ordinary A shares having a nominal value of EUR1.00 each, being 25% paid up.

On 6 December 2016, the Company issued further share capital amounting to EUR1,000,000 comprising 1,000,000 ordinary B shares having a nominal value of EUR1.00 each, being 100% paid up. In addition, it issued one preference share with a nominal value of EUR0.0001.

On 29 January 2018, the one preference share was re-designated as 1 Ordinary A share 100% paid up.

On 30 September 2024, the Company issued further share capital amounting to EUR286,321, comprising 286,321 ordinary B shares having a nominal value of EUR1.00 each, being 100% paid up.

On 19 September 2024, the Company received EUR34,950 from the holders of the A shares, resulting in them being 100% paid up.

In November 2024, the company created a new class of redeemable preference shares, known as C shares. These give the holder no right to vote at general meetings of the company. On 23 December 2024, the Company issued 8,140 C Shares for a consideration of EUR302,726.60.

Except for the appointment and removal of board members and issuance of preference shares which grant the Ordinary A shareholders 1,000,000 votes for each A share in general meetings of the Company, each share in the Company gives the holder thereof the right to one (1) vote at any general meeting of the Company.

28. Share premium

	2024	2023
1,000,000 Ordinary B shares issued at an additional EUR9.00 each	9,000,000	9,000,000
286,321 Ordinary B shares issued at an additional EUR40.911 each	11,713,679	-
8,140 Redeemable Preference C shares issued at an additional EUR37.189 each	302,718	-
	21,016,397	9,000,000

29. Subsidiaries

The results incorporated in the consolidated financial statements include the individual results of Julius Meinl Living plc and its subsidiaries as disclosed below:

Subsidiaries	Principal activities	Date of incorporation/ acquisition	Country of incorporation	Proportion of ownership interest 2024	2023
Held by Julius Meinl Living plc					
Julius Meinl Living Holdings Limited	IH	9.8.2016	Malta	100%	100%
JML Finance (Luxembourg) S.a.r.l.	BF	13.3. 2019	Luxembourg	100%	100%
JM Innovative Living Management s.r.o. (*acquired during 2023 from Julius Meinl Living Holdings Limited)*	PM	16.11. 2022	Czech Republic	100%	100%
Held by Julius Meinl Living Holdings Limited					
Julius Meinl Living CZ s.r.o.	PM	25.8.2016	Czech Republic	100%	100%
PPH Nove Mesto s.r.o.	IP	19.6.2018	Czech Republic	100%	100%
Julius Meinl Living Belgrade doo	IP	31.10.2019	Serbia	-	100%
JM Hospitality Hungary Kft	IP	2.8.2021	Hungary	100%	100%
JML London Propco Limited	PM	13.7.2023	United Kingdom	-	100%
Ambasador SA	IP	8.3. 2024	Romania	100%	-

Principal activities
IH: Investment holding company
BF: Bond issuance and finance company
PM: Property management company
IP: Property holding company

On 9 August 2016, the Company set up Julius Meinl Living Holdings Limited, an investment holding company incorporated in Malta and 100% owned by the Company.

On 25 August 2016, Julius Meinl Living Holdings Limited set up Julius Meinl Living CZ s.r.o., a property management company incorporated in the Czech Republic.

On 19 June 2018, Julius Meinl Living Holdings Limited, acquired 75% of the share capital of PPH Nove Mesto s.r.o., an asset company incorporated in the Czech Republic. The Group acquired a further 13.33% and 11.67% of the share capital of PPH Nove Mesto s.r.o., in 2019 and 2020, respectively, bringing its total holding to 100%.

On 13 March 2019, the Company acquired 100% of the share capital of JML Finance (Luxembourg) S.a.r.l, a bond issuance and finance company incorporated in the Grand Duchy of Luxembourg.

On 31 October 2019, Julius Meinl Living Holdings Limited acquired 100% of the share capital of Julius Meinl Living Beograd doo, a property management company incorporated in Serbia. In December 2024, this subsidiary was sold.

On 2 August 2021, Julius Meinl Living Holdings Limited acquired the entire share capital in JM Hospitality Hungary Kft, an asset company incorporated in Hungary.

On 16 November 2022, Julius Meinl Living Holdings Limited acquired the entire share capital in JM Innovative Living Management s.r.o., in order to expand its business activities. In 2023, this subsidiary was transferred within the Group, to Julius Meinl Living plc.

On 13 July 2023, Julius Meinl Living Holdings Limited acquired the entire share capital in JML London Propco Limited. This company was liquidated in 2024.

On 8 March 2024, Julius Meinl Living Holdings Limited acquired the entire share capital in Ambasador SA, an asset company incorporated in Romania.

30. Related party disclosures

Julius Meinl Finance Limited, a company incorporated in the Cayman Islands, owns (directly and indirectly) all Ordinary A shares and Ordinary B shares of the Company. The directors consider the ultimate beneficiary to be Mr. Julius Meinl.

The Group’s related parties also include its key management personnel.

Unless otherwise stated, none of the transactions incorporate special terms, and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

In years 2024 and 2023, there were no loans and amounts due from and to related parties. Key management personnel compensation is disclosed in note 11.

31. Non-cash adjustments and changes in working capital

The following non-cash flow adjustments and adjustments for changes in working capital have been made to the consolidated profit before tax to arrive at operating cash flows:

	2024	2023*
	EUR	EUR
Non-cash adjustments:		
Fair value gain on investment properties	(16,116,812)	(8,920,682)
Loss on disposal of subsidiary, net of cash released	(9,175)	150,280
Impairment of goodwill	(14)	(21)
Depreciation	148,579	99,336
Net foreign exchange adjustments	(1,426,908)	(604,644)
Interest expense on debt securities issued	2,646,510	2,409,406
Interest expense on leases	11,753	5,316
Interest expense on borrowings	4,394,345	2,400,620
Other financial expenses	1,631,628	-
Finance income	(110,810)	(56,540)
	(8,830,904)	(4,516,929)

	2024	2023
	EUR	EUR
Changes in working capital:		
Receivables	(162,791)	(113,211)
Other current asset	471,878	(7,725)
Inventories	242,815	(37,024)
Trade and other payables	1,617,142	918,764
	2,169,044	760,804

* Comparative financial information adjusted due to change in accounting policy, for more information refer to note 8.

32. Fair values of non-financial assets

The following table presents non-financial assets measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy groups non-financial assets into three levels based on the significance of inputs used in measuring the fair value of the non-financial assets.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

The level within which the non-financial asset is classified is determined based on the lowest level of significant input to the fair value measurement.

The following table shows the levels within the hierarchy of non-financial assets of the Group measured at fair value at 31 December 2024 and 2023:

	Level 1	**Level 2**	**Level 3**	**Total**
	EUR	**EUR**	**EUR**	**EUR**
31 December 2024				
Investment properties	-	149,935,486	-	149,935,486
31 December 2023				
Investment properties	-	120,193,925	-	120,193,925

Refer to note 18 for details of the valuation techniques used in measuring the fair value.

33. Financial instrument risk management objectives and policies

The exposures to risk and the way risks arise, together with the Group's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Where applicable, any significant changes in the Group's exposure to financial risks or the manner in which the Group manages and measures these risks are disclosed below.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example, by granting loans and receivables, placing deposits, etc.

The Group's exposure to credit risk at the end of the reporting period is analysed below:

		2024	2023
	Notes	**EUR**	EUR
Classes of financial assets – carrying amounts			
Current assets			
Financial assets at amortised costs:			
- Receivables	*19*	314,026	541,259
- Cash and cash equivalents	*22*	16,457,119	18,991,872
		16,771,145	19,533,131

Credit risk arises from cash and cash equivalents and credit exposures to borrowers. Cash and cash equivalents consist of cash held at financial institutions. In determining the ECL for cash and cash equivalents, the directors have considered the fact that cash and cash equivalents are held by foreign financial institutions and are callable on demand. The directors consider the probability of default to be close to zero as the counterparty has a strong capacity to meet its contractual obligations in the near term.

As a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Group.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover debts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk; primarily the Czech koruna (CZK), from 2021 Hungarian forints (HUF) and from 2024 Romanian Leu (RON). Historically, the CZK, HUF and RON have been relatively stable with very limited fluctuations against the euro (EUR). Hence, the currency risks associated with the Czech, Hungarian and Romanian operations are limited. Nevertheless, management performs regular monitoring of the relevant exchange rates and of the National Bank of Czech Republic, the National Bank of Hungary and the National Bank of Romania policies, in order to react to material movements, if any.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into EUR at the closing rate as of 31 December of the respective financial year:

Exposure	**Short-term**	**Long-term**	**Total**
Currency	**CZK**	**CZK**	**CZK**
31 December 2024			
Cash and cash equivalents	343,958	-	343,958
Loans and receivables	870,255	-	870,255
Trade and other payables	(1,945,050)	(12,537)	(1,957,587)
Net Exposure	**(730,837)**	**(12,537)**	**(743,374)**

Exposure	**Short-term**	**Long-term**	**Total**
Currency	**CZK**	**CZK**	**CZK**
31 December 2023			
Cash and cash equivalents	217,125	-	217,125
Loans and receivables	411,834	-	411,834
Trade and other payables	(3,333,597)	-	(3,333,597)
Net Exposure	**(2,704,638)**	**-**	**(2,704,638)**

Exposure	Short-term	Long-term	Total
Currency	**HUF**	**HUF**	**HUF**
31 December 2024			
Cash and cash equivalents	49,348	-	49,348
Loans and receivables	8,872	-	8,872
Trade and other payables	(97,446)	-	(97,446)
Net Exposure	**(39,226)**	**-**	**(39,226)**

Exposure	Short-term	Long-term	Total
Currency	**HUF**	**HUF**	**HUF**
31 December 2023			
Cash and cash equivalents	6,027	-	6,027
Loans and receivables	24,125	-	24,125
Trade and other payables	(163,777)	-	(163,777)
Net Exposure	**(133,625)**	**-**	**(133,625)**

Exposure	Short-term	Long-term	Total
Currency	**RON**	**RON**	**RON**
31 December 2024			
Cash and cash equivalents	38,654	-	38,654
Loans and receivables	5,387	-	5,387
Trade and other payables	(929,247)	-	(929,247)
Net Exposure	**(885,206)**	**-**	**(885,206)**

Volatility is a measure of the fluctuations in the underlying exchange rate over a given time period. It is expressed as a percentage and computed as the annualized standard deviation of percentage change in daily price. High values mean high risk. Volatility for the CZK/EUR currency pair between 1 January and 31 December for the years 2023 and 2024 was approximately 2.27%, and 3.3%, respectively. The minimum / maximum exchange rates for CZK/EUR currency pair between 1 January and 31 December was approximately 23.27 / 24.72 and 24.49 / 25.46 for the respective years 2023 and 2024 representing a difference between the highest and lowest exchange rates of approximately 6.2% and 3.97% during the respective years 2023 and 2024.

Volatility for the HUF/EUR currency pair between 1 January and 31 December for the years 2023 and 2024 was approximately 4.55%, and 6.0%, respectively. The minimum / maximum exchange rates for HUF/EUR currency pair between 1 January and 31 December was approximately 368.15 / 403.33 and 377.65 / 416.05 for the respective years 2023 and 2024 representing a difference between the highest and lowest exchange rates of approximately 9.56% and 10.17% during the respective years 2023 and 2024.

Volatility for the RON/EUR currency pair between 1 January and 31 December for 2024 was approximately 5%. The minimum / maximum exchange rates for RON/EUR currency pair between 1 January and 31 December was approximately 4.96 / 4.98 representing a difference between the highest and lowest exchange rates of approximately 0.27%.

By comparison the USD/EUR currency pair volatility over the same periods was 3.44% and 5.70% and the difference between the highest and lowest exchange rates was approximately 3.32% and 7.77% during the respective years 2023 and 2024.

Management continues to monitor the CZK/EUR and HUF/EUR pairs closely.

The following tables illustrates the sensitivity of profit and equity relating to the Group's financial assets and financial liabilities and the CZK/EUR respective HUF/EUR exchange rate 'all other things being equal'. It assumes a +/- 10% change of the CZK/EUR respective HUF/EUR exchange rate for the year ended at 31 December 2024 (2023: +/-10%). These percentages have been determined based on the management's interpretation of the volatility in exchange rates in the previous twelve months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date. The Group does not currently enter into account forward exchange contracts that would offset effects from changes in currency exchange rates.

If the CZK had strengthened against the EUR by 10% (2023: 10%), then this would have had the following impact:

CZK strengthens vs. EUR	**Profit for the year**	**Equity**
	CZK	**CZK**
31 December 2024	**54,739**	**-**
31 December 2023	199,160	-

If the CZK had weakened against the EUR by 10% (2023: 10%), then this would have had the following impact:

CZK weakens vs. EUR	**Profit for the year**	**Equity**
	CZK	**CZK**
31 December 2024	**(66,904)**	**-**
31 December 2023	(243,417)	-

If the HUF had strengthened against the EUR by 10% (2023: 10%), then this would have had the following impact:

HUF strengthens vs. EUR	**Profit for the year**	**Equity**
	HUF	**HUF**
31 December 2024	**(406)**	**-**
31 December 2023	(12,026)	**-**

If the HUF had weakened against the EUR by 10% (2023: 10%), then this would have had the following impact:

HUF weakens vs. EUR	Profit for the year	Equity
	HUF	HUF
31 December 2024	**2,888**	**-**
31 December 2023	9,840	-

If the RON had strengthened against the EUR by 10%, then this would have had the following impact:

RON strengthens vs. EUR	Profit for the year	Equity
	RON	RON
31 December 2024	**(79,668)**	**-**

If the RON had weakened against the EUR by 10%, then this would have had the following impact:

RON weakens vs. EUR	Profit for the year	Equity
	RON	RON
31 December 2024	**65,183**	**-**

The higher foreign currency exchange rate sensitivity in profit in 2024 compared with 2023 is attributable to a wider band variance and a net increase in foreign currency denominated debt. Equity is not affected because the Group does not employ hedging instruments or derivatives.

Interest rate risk

The Group has fixed rate debt securities and variable rate bank borrowings to finance its operations as disclosed in notes 25 and 26. The interest rates thereon and the terms of such borrowings are disclosed accordingly. There are no other material interest-bearing financial assets and financial liabilities.

Liquidity risk

The Group monitors and manages its risk to a shortage of funds by considering the maturity of both its financial assets and financial liabilities and by monitoring the availability of raising funds to meet commitments associated with financial instruments.

The maturity analysis of the Group's financial liabilities as at 31 December 2024 and 2023 are given below. These amounts are gross, undiscounted and include estimated interest payments.

	Notes	3 months - 1 year EUR	1-5 years EUR	Total EUR
31 December 2024				
Debt securities in issue	*25*	-	**18,058,650**	18,058,650
Bank borrowings	*26*	1,338,262	**70,252,306**	71,590,568
Trade and other payables	*23*	3,075,483	**-**	3,075,483
Lease liabilities	*24*	38,469	**166,210**	204,679
		4,452,214	**88,477,166**	92,929,380
31 December 2023				
Debt securities in issue	*25*	29,836,978	**-**	29,836,978
Bank borrowings	*26*	761,918	**52,872,973**	53,634,891
Trade and other payables	*23*	3,949,591	**-**	3,949,591
Lease liabilities	*24*	41,293	**208,496**	249,789
		34,589,780	**53,081,469**	87,671,249

Summary of financial instruments by category

The carrying amounts of the Group's financial assets and financial liabilities as recognised at the end of the reporting period under review may also be categorised as follows. See note 6.9 for explanations about how the category of financial instruments affects their subsequent measurement.

	Notes	2024 EUR	2023 EUR
Current assets			
Financial assets at amortised cost:			
Loans and receivables	*19*	314,026	541,259
Other current assets		3,791	475,669
Cash and cash equivalents	*22*	16,457,119	18,991,872
		16,774,936	20,008,800
Non-current liabilities			
Financial liabilities at amortised cost:			
Debt securities in issue	*25*	18,058,650	-
Lease liabilities	*24*	142,944	172,743
Bank borrowings	*26*	70,252,306	52,872,973
Other financial liabilities		28,093	-
		88,481,993	53,045,716

	Notes	2024 EUR	2023 EUR
Current liabilities			
Financial liabilities at amortised cost:			
Debt securities in issue	*25*	-	29,836,978
Bank borrowings	*26*	1,338,262	761,918
Trade and other payables	*23*	3,075,483	3,949,591
Lease liabilities	*24*	26,637	27,134
		4,440,382	34,575,621
		92,894,282	87,621,337

34. Capital management policies and procedures

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of items presented within equity in the consolidated statement of financial position.

The Group's directors and key management manage the Group's capital structure and make adjustment thereto, in the light of changes in economic conditions. The capital structure is reviewed on an ongoing basis.

35. Events after the end of the reporting period

The Company increased its issued share capital by issuing 20,430 redeemable preference C shares on 25 February 2025, and 7,240 redeemable preference C shares on 12 March 2025. Each redeemable preference C shares was issued with nominal value of EUR0.001 and a premium of EUR36.959 per share. These shares were fully paid up and allotted to Julius Meinl Investment SICAV a.s. for The Julius Sub-Fund 2024.

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Independent auditor's report

To the shareholders of Julius Meinl Living plc

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Julius Meinl Living plc set out on pages 5 to 43 which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the group as at 31 December 2024, and of their consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 (the "Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the consolidated financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the directors' report and the statement of director's responsibilities shown on pages 2 and 4 which we obtained prior to the date of this auditor's report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Act.

Based on the work we have performed, in our opinion:

- The information given in the directors' report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements, and
- the directors' report has been prepared in accordance with the Act.

In addition, in light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

We also have responsibilities under the Companies Act, Cap. 386 to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the consolidated financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report to you in respect of these responsibilities.

The engagement principal on the audit resulting in this independent auditor's report is Mark Bugeja.

Mark Bugeja (Principal) for and on behalf of

GRANT THORNTON
Certified Public Accountants

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3 April 2025