

**PRESS RELEASE**

**28<sup>th</sup> March 2022**

**JML FINANCE (LUXEMBOURG) SARL**

**Julius Meinl Living publishes its consolidated 2021 accounts**

Julius Meinl Living PLC, through its group companies, acquires prime real estate assets in its core markets for development into serviced residences that the group will then operate itself (“Julius Meinl Living”).

Julius Meinl Living PLC is fully owned by the Meinl family who, over the last 160 years, have demonstrated their expertise in Central and Eastern Europe in consumer goods, retail and real estate.

Julius Meinl Living was able to achieve further significant progress in 2021. In particular, the group achieved:

- A profit before tax of €6.5m (2020: €1.1m)
- Profit for the year of €4.8m (2020: €656k)
- An increase in shareholders’ equity to €35.2m at 31 December 2021 (2020: €29.4m)
- An increase in total assets to €114.0m at 31 December 2021 (2020: €93.1m)

During the course of the year, a total of €23.1m was invested in the development of Julius Meinl Living’s property at Senovážné náměstí 3 in Prague, in the Czech Republic (2019: €8.1m). This property will be known as “The Julius Prague” and will have 168 guest rooms and apartments. The main construction works commenced in July 2019 and the opening of The Julius Prague is scheduled for spring 2022. More information on the property is available at [www.thejulius.eu](http://www.thejulius.eu).

The debt financing of The Julius Prague that was finalised during the course of 2020 was expanded during the course of 2021 from a total available amount of €27.0m to €31.0m.

The group’s second property is the Escala Hotel & Suites in Budapest. The acquisition of this 51 apartment property was signed in June 2021 and completed in August. Since acquisition, the property has traded well above the same period in 2020, albeit with some softness during the course of the recent Omicron covid wave. Now that this has receded, occupancy is running at close to 80% and to pre-covid levels. The benefits from this strong revenue performance have been enhanced by a marked reduction in costs. Julius Meinl Living is currently finalising its plans to safeguard and enhance the future prospects of the property by investing modestly in its refurbishment. This will benefit all areas of the building.

A partial €3.9m debt-financing of the purchase of the Escala Hotel & Suites was also concluded.

The agreement to terminate development of the group's former Belgrade property that was signed in December 2021 resulted in a charge of €2.5m, representing the write-off of the fair value gain on the project that was booked in 2021. The termination itself involved no material cash cost and no payment was made to the developer who was contracted to deliver the project.

Across its properties, Julius Meinl Living recorded in 2021 a fair value gain totalling €12.7m (2020: €4.1m). The fair value of The Julius Prague is now assessed as being €84.6m while the fair value of the Escala Hotel & Suites is assessed as being €9.4m.

As at 31 December 2021, Julius Meinl Living had cash of €17.1m (2020: €16.5m) and net financial debt of €47.1m (2020: €16.3m). The increase in net financial debt resulted from the investment in The Julius Prague and the acquisition of Escala Hotel & Suites and was enabled by the strong credit characteristics of the group.

The 2021 accounts are now available from [www.juliusmeinlliving.com](http://www.juliusmeinlliving.com).

The strategy of Julius Meinl Living now has two elements to it. The first is to develop The Julius into the pre-eminent collection of premium serviced residences in central and western Europe. The second is opportunistically to acquire a number of lower value serviced residence properties that can immediately generate profit and cash flow for the group, and after modest investment in refurbishment, value uplift also.

In accordance with its strong financial position, Julius Meinl Living continues to progress negotiations in relation to already identified pipeline properties and continues to seek additional pipeline opportunities, in both cases for eventual addition to The Julius collection and for opportunistic purposes.

People within Europe but also from the rest of the world are eager to return to travel. Hotels in general but serviced residences, in particular, should benefit strongly through 2022 and beyond. This reflects both the secular growth in the serviced residences sector and a perception that they represent a "safer" hospitality option.

Even against this encouraging backdrop, and despite events in Ukraine, Julius Meinl Living believes that it is well-placed to outperform the sector, as its unique business model, strong financial position, depth of capability and expertise, and exciting development pipeline continue to position it well.



**Julius Meinl Living**

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