

JML FINANCE (LUXEMBOURG) SARL

Julius Meinl Living secures bank financing for completion of development of Prague property

Julius Meinl Living PLC, through its group companies, acquires prime real estate assets 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 150 years, have demonstrated their expertise in Central and Eastern Europe in consumer goods, retail and real estate. The aparthotels will have a premium positioning and will operate under a brand that reflects the Meinl family heritage.

The group’s first property is under development on Senovážné in Prague, in the Czech Republic, and will have 168 guest rooms and apartments. The main construction works commenced in July 2019 and are continuing according to plan. The property is targeted to open in Q3 of 2021.

The group’s second property is on Bulevar vojvode Bojovića in Belgrade, Serbia and is part of a wider development called “K-District”. Julius Meinl Living has contracted to acquire this property by means of a binding forward purchase agreement. It will have a gross above-ground area of 8,824 m2 and, once complete, it will have 129 guest rooms and apartments in addition to 96 underground parking spaces. Construction of Julius Meinl Living’s K-District property is intended to commence in August 2020 and the property is now targeted to open in Q2 of 2022.

On 21st August 2020, Julius Meinl Living signed binding documentation with J&T Banka for the financing of all remaining development costs in relation to the Senovážné property. The amount of the loan is €27 million and the term is eight years to September 2028. The first draw down has now taken place.

Taken together with the funds raised through the issue of Tranche 1 of Series 1 of Julius Meinl Living’s ongoing EMTN programme, the agreement with J&T Banka reinforces Julius Meinl Living’s strong balance sheet and ensures that it has the financial firepower necessary to continue to implement its strategy.

In due course, it is intended that the group’s balance sheet will be further reinforced through the bank financing of the K-District property and through further EMTN bond issues.

In accordance with its financial position, Julius Meinl Living continues to progress negotiations in relation to already identified pipeline properties and continues to seek additional pipeline opportunities, with the aim of opening at least 15 properties with a combined total of 2,000 guest rooms and apartments over the next three to six years.

Julius Meinl Living will also continue rapidly to progress work on the operating side of its business. Updates will be provided in due course on the design, branding and technology offer that are intended to make Julius Meinl Living properties “go to” destinations, and to make Julius Meinl Living the leading provider of serviced residences in Central Europe.