



Consolidated unaudited interim report for the II quarter of 2024

Business name:	Liven AS
Core business:	Development of building projects (EMTAK 41101)
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Supervisory board:	Andres Aavik, Peeter Mänd, Krista Tamme
Management board:	Andero Laur, Mihkel Simson, Alina Kester
Auditor:	KPMG Baltics OÜ



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About Liven

Liven AS (together with its subsidiaries the group or Liven) is a residential real estate developer established in 2014 and operating mainly in Tallinn. Liven has created more than 700 homes and has approximately 1 400 homes in various stages of development.

Liven's focus is on creating homes, and the company's strength and differentiation lies in the homes it designs with homeowners, its thoughtful concept and planning, and the furnishing alternatives it offers.

Liven's development portfolio includes 10 projects, with land for approximately 1,400 new homes. Homes are currently for sale in five developments – Magdaleena, Uus-Meremaa, Luuslangi, Iseära, and Regati. In 2023, Liven expanded into the German market by acquiring land in Berlin for the development of the Wohngarden project. In addition, four further development projects are planned in Tallinn.

The group includes the parent company, a German holding company and companies set up to carry out projects. All companies in the group are 100% owned, directly or through indirect shareholdings, by Liven AS.

Since 24 May 2024, the green bonds of Liven AS (the parent company; ISIN: EE3300004332) are being publicly traded on the Baltic Bond List of Nasdaq Tallinn Stock Exchange.

The key indicators for assessing the performance of Liven's activities are the number of contracts under the law of obligation signed before the buildings are completed (also the number of paid reservations before contracts are signed), the number of real right contracts signed after the buildings are completed, the sales revenue and the net profit. During the customer journey, Liven measures customer feedback. The estimated size of the development portfolio in terms of forecast sales volume (m²) and revenue reflects future potential. Equity ratio and equity ratio adjusted with construction loans. The target return on equity and internal rate of return on equity is 20%.

Supervisory board: Andres Aavik (chairman), Peeter Mänd, Krista Tamme

Management board: Andero Laur (chairman), Mihkel Simson, Alina Kester

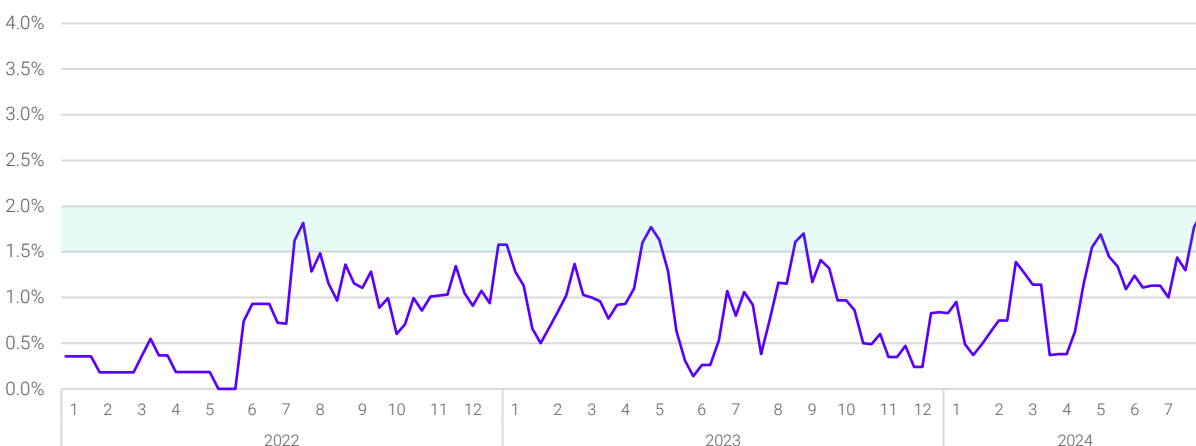


Overview of the II quarter of 2024

Although there were no huge positive development leaps in the operating environment, there were still some signs of renewed optimism in the residential property market during the quarter. During the second quarter, we signed 47 contracts under the law of obligation (sales contract; 2024 Q1: 16; 2023 Q2: 12) and during the first half of the year, we signed a total of 63 sales contracts (2023: 19). Most of the new sales during the quarter came from the start of signing sales contracts of apartments and new terraced houses of phase II of Iseära development, and also the sales of previously completed apartments of Luuslangi development. Liven's market share of new sales in Tallinn and the surrounding area is estimated to have been around 10% in the first half of 2024, up from the 6-7% estimate of the previous two years.

The weekly sales ratio, which represents the number of homes going out of supply under sales contract or paid reservations, improved compared to the preceding quarters and remained above the 1% mark throughout the period. By the end of July, the ratio is approaching 2.0%. The long-term average is considered to be 1.5-2.0%.

Weekly sales ratio



Contracts under the law of obligations or paid reservations signed per week / homes for sale (4-week rolling average)

Similarly to the end of Q1 the customer satisfaction feedback rating for the last 12 months, collected at different stages of the customer journey, remained at 8.0 out of 10 by the end of the quarter (Q2 2023: 8.9/10). The decline in feedback rating over last year is primarily related to the delay in the completion of construction and handover of homes at Magdalena and Iseära phase I developments, the need to improve communication and the quality of construction management. In 2024 the focus is on increasing both the quantity and quality of customer feedback assessments and in the first half of the year, we have already made positive progress.

During the second quarter, we handed over a total of 29 new homes in developments completed under the real right contract (12 in 2023). Of these, 13 in the phase II of the Iseära development, 10 were in phase I of the Luuslangi development, 5 in phase II of the Uus-Meremaa development, and one from the Magdaleena development. In the same order, the projects also had an impact on the financial results of the second quarter. Revenue for the quarter was EUR 8,546 thousand (Q2 2023: EUR 12,258 thousand) and net profit for the period was EUR 443 thousand (Q1 2023: EUR -431 thousand). The second quarter result was also impacted by the income tax expense of EUR 169 thousand (2023: EUR 104 thousand) related to the payment of dividends.

In the first six months of the year, we have delivered a total of 41 new homes (2023: 19), generated sales revenue of EUR 12,045 thousand (2023: EUR 14,553 thousand) and a net profit of EUR 293 thousand (2023: EUR -892 thousand).

Assets increased by EUR 5,250 thousand during the quarter to EUR 72,801 thousand at the end of the period. The greatest impact to the quarterly increase in the balance sheet was from the EUR 6,200 thousand issue of publicly traded green bonds quarter. During the quarter, we received new bank loans of EUR 2,579 thousand to finance the construction of projects, but together with home deliveries, we repaid EUR 5,437 thousand of earlier construction loans. Total borrowings increased by EUR 4,392 thousand to EUR 43,737 thousand during the quarter. As the maturity of construction loans approached, short-term borrowings increased by EUR 5,120 thousand to EUR 10,053 thousand during the quarter.

The balance of cash and cash equivalents increased by EUR 5,528 during the quarter to EUR 8,530 at the end of the quarter. Affected by the dividend payment during the quarter the equity decreased by EUR 138 thousand to EUR 17,886 thousand by the end of the quarter.

Key events in development projects

During the quarter, the detailed spatial plan for **Kadaka tee 88** was adopted and will be publicly displayed until the end of July. Construction of the **Iseära** phase II apartment buildings started and the agreements for general contracting and financing of the construction were signed for the last 5 terraced houses of phase II in July. During the quarter, we also signed an agreement for the long-term financing of the commercial space in the **Väike-Tallinn** development. A more detailed overview of events and developments in the development projects can be found in the "Overview of the projects" section.

Annual General Meeting of Shareholders

Liven AS held its Annual General Meeting of Shareholders on 19th April. 28 shareholders attended at the meeting, forming 94,0% of all the votes. Shareholders approved the annual report for the financial year 2023, extended the authority of Andres Aavik and Peeter Mänd as Supervisory Board Members, and approved the new option program. Consequently, it was decided to preclude the pre-emptive subscription rights of shareholders for the shares to be issued under this program and give Liven AS the right to acquire its own shares for exercising the option programs.

Additionally, the shareholders approved the distribution of profits and payment of dividends in the amount of EUR 635 thousand. According to the dividend policy, the amount of dividends was 25% of the profit before income tax in 2023 (EUR 220 thousand), plus 12.5% of the profit before income tax in 2022 (EUR 416 thousand). In 2023, dividends were paid only on 12.5% of the profit before income tax in 2022.

Public Offering of Green Bonds

In May 2024, Liven AS held a public offering of green bonds to finance the development of new and existing projects. The public offering also allowed to increase the transparency of the company and broaden the range of investors. The capital raised can only be used by Liven to finance projects that meet the criteria outlined in Liven's green financing framework. The offer and issuance of the green bonds was organised by LHV Bank and the legal advisor was Ellex Raidla law firm.

Liven offered a total of 4,000 unsecured green bonds with a nominal value of EUR 1,000 per bond, maturing on 23 May 2028, with a fixed interest rate of 10.5% per annum, payable quarterly. A total of 14,529 bonds were subscribed by the 2,819 investors who participated in the offer, representing a 3.63-fold oversubscription. As a result of the oversubscription, Liven's management board decided to increase the size of the offer up to 6,200 bonds, i.e. EUR 6,200 thousand.

Negotiations for the acquisition of a new property, which started prior to the bond offer, are still ongoing and it has not yet been possible to acquire a new property. We will continue both the ongoing negotiations and the consideration of new investment alternatives.

Key figures

(in thousands of euros)	April - June			January - June		
	2024	2023	2022	2024	2023	2022
Contracts under the law of obligations (number)	47	12	15	63	19	55
Real right contracts (number)	29	48	1	41	59	63
Customer feedback score 12M (10-point scale)	8.0	8.9	9.0			
Revenue	8,546	12,258	333	3,321	14,553	9,414
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2,664	155	90	3,321	151	2,747
EBITDA margin, %	31.2%	1.3%	27.0%	27.6%	1.0%	29.2%
Operating profit/loss	852	-327	-415	792	-780	1,912
Operating profit/loss margin, %	10.0%	-2.7%	-124.8%	6.6%	-5.4%	20.3%
Net profit/loss	443	-431	-418	293	-892	1,910
<i>Attributable to owners of the parent</i>	443	-431	-406	293	-892	1,951
<i>Attributable to non-controlling interest</i>	0	0	-11	0	0	-40
Net margin, % ^e	5.2%	-3.5%	-122.1%	2.4%	-6.1%	20.7%
Weighted average number of shares (in thousands)	11,853	11,807	11,515	11,844	11,685	11,515
Earnings per share (in euros) ^e	0.037	-0.037	-0.035	0.025	-0.076	0.169
Return on equity (ROE), %*	11.4%	3.0%	18.7%			
Return on capital employed (ROCE), %*	14.8%	12.3%	15.1%			
Return on assets (ROA), %*	3.6%	1.0%	5.3%			
	30.06.2024	30.06.2023	30.06.2022			
Equity ratio, %	24.6%	26.7%	24.5%			
Adjusted equity ratio (without construction loans), %	27.4%	34.2%	31.4%			
Assets at the end of period	72,801	61,244	60,549			
Equity at the end of period	17,886	16,373	14,860			
<i>Attributable to the owners of the parent</i>	17,886	16,373	14,845			
Current ratio	3.45	5.24	2.18			
Quick ratio	0.48	0.30	0.23			
Average number of employees	29	27	22	28	26	22

^e share of business owners; * last 12 months

Calculation formulas for alternative performance measures

Earnings before interest, tax, depreciation and amortisation (EBITDA) = operating profit + interest paid + interest expense capitalised in inventories + depreciation, amortisation and impairment losses

EBITDA margin: EBITDA / revenue

Operating margin: operating profit / revenue

Net margin: net profit attributable to owners of the parent / revenue

Return on assets (ROA): operating profit / average total assets (average for the period)

Return on equity (ROE): net profit attributable to owners of the parent / average equity attributable to shareholders (average for the period)

Return on capital employed (ROCE): (EBITDA – depreciation, amortisation and impairment losses) / (total assets – current liabilities (average for the period))

Equity ratio: equity attributable to owners of the parent / total assets

Adjusted equity ratio: total equity attributable to owners of the parent / (total assets less construction loans)

Current ratio: current assets / current liabilities

Quick ratio: (current assets – inventories) / current liabilities

Significant developments in the economic environment in the period under review

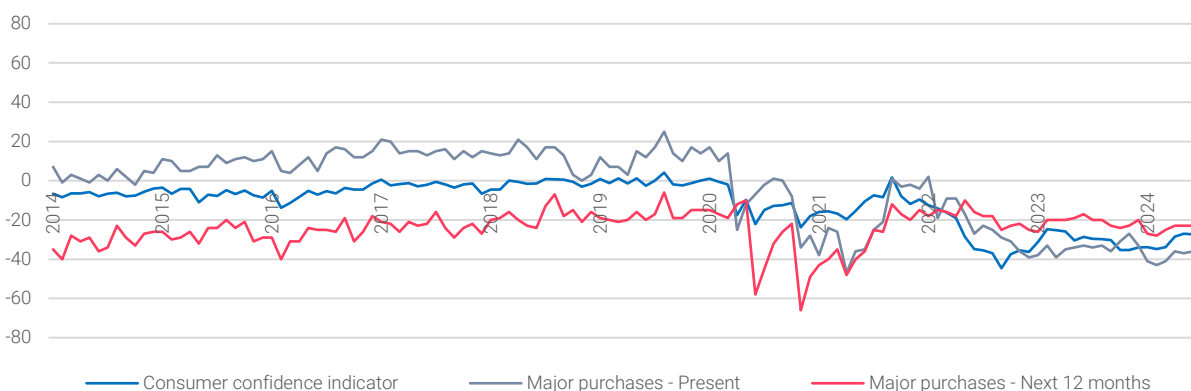
The 6-month Euribor (Euribor), which peaked in autumn 2023 at 4.143%, has fallen somewhat in 2024. Compared to the first quarter of 2024, the Euribor remained stable in the second quarter, showing a slight decrease and reaching 3.682% at the end of the period (31.03.2024: 3.851%). Since the reporting date, the Euribor has continued to decline, reaching 3.591%.

At the Governing Council of the European Central Bank in June 2024, it was decided to cut the base rate by 25 basis points. The July meeting left the base rate unchanged, and while the ECB President has not given any direct indication of the ECB's future actions, the general expectation in the markets is that the ECB will cut rates a further 1-2 times in the second half of 2024.

The main presumption for lowering Euribor rates is declining inflation, and in Estonia, the consumer price inflation rate continued to fall during the quarter. In the second quarter of 2024, the annual inflation rate was 2.5% (Q1 2024: 3.9%).

According to the latest data from Statistics Estonia, the estimated annual increase in average gross wages in the second quarter (9.3%) exceeded the increase in prices. Despite this, consumer confidence, which had remained low for a long time, remained weak in the latest quarter. Consumers are more likely to view the purchase of durable goods as a bargain in the next 12 months than they do now, leading to a general sentiment to continue to be on hold and to delay purchasing decisions. Based on the July data from the Institute of Economic Research, the consumer confidence indicator has improved somewhat compared to Q1 2024, but still remains at a low level (Q1 2024 average: -34; July 2024: -28).

Consumer confidence indicator and major purchases



Source: Estonian Institute of Economic Research

Despite the above, there were signs of activation of home buyers in the market. For example, according to the Land Statistical Office's transaction statistics, the volume of secondary sales of apartments increased by 8.5% in the second quarter compared to the previous quarter (Q2 2024: 1,486 transactions; Q1 2024: 1,370 transactions). There was also an increase in the volume of transactions on the new developments market.

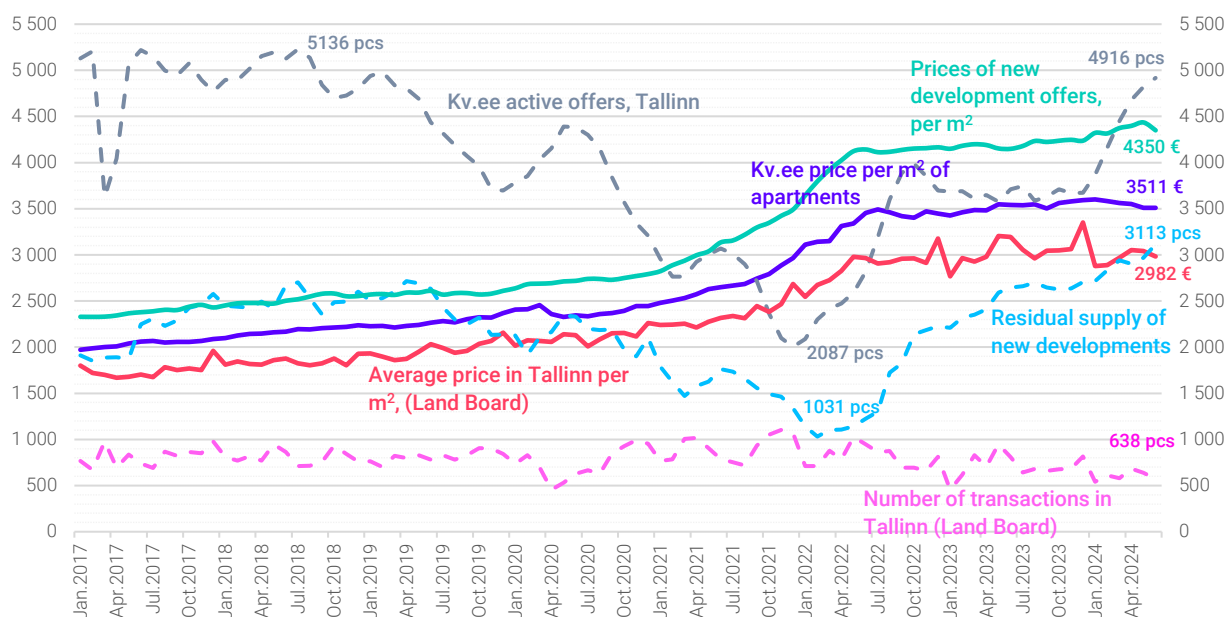
New developments market

Compared to the first quarter of 2024, the offer prices of new developments remained stable in the second quarter of 2024, showing a decrease only of 0.5%. The number of transactions on the market increased by 63% compared to the first quarter of 2024, being well above the sales performance in the second quarter of 2023 (79%). The number of new listings was 46, which is compared to the previous quarter.

Due to the completion of construction of several development projects in spring 2024, the stock of unsold ready-to-move-in apartments remained relatively high in the second quarter, reaching 933 apartments by the end of the quarter (Q1 2024: 833; Q2 2023: 525). Consequently, options for homebuyers and market competition remain high.

During the second quarter, around 513 apartments were sold in new developments (based on market data), which is 63% higher than in the previous quarter (Q1 2024: around 314). Compared to the same period last year, the increase has been even higher (Q2 2023: ca 286).

The average price per square metre of a new apartment in Tallinn was EUR 4,350 in Q2, showing an annual increase of 4.8%. On a quarterly comparison, prices have remained relatively unchanged, dipping by only 0.5%.



3D illustration of Regati development

Overview of the projects

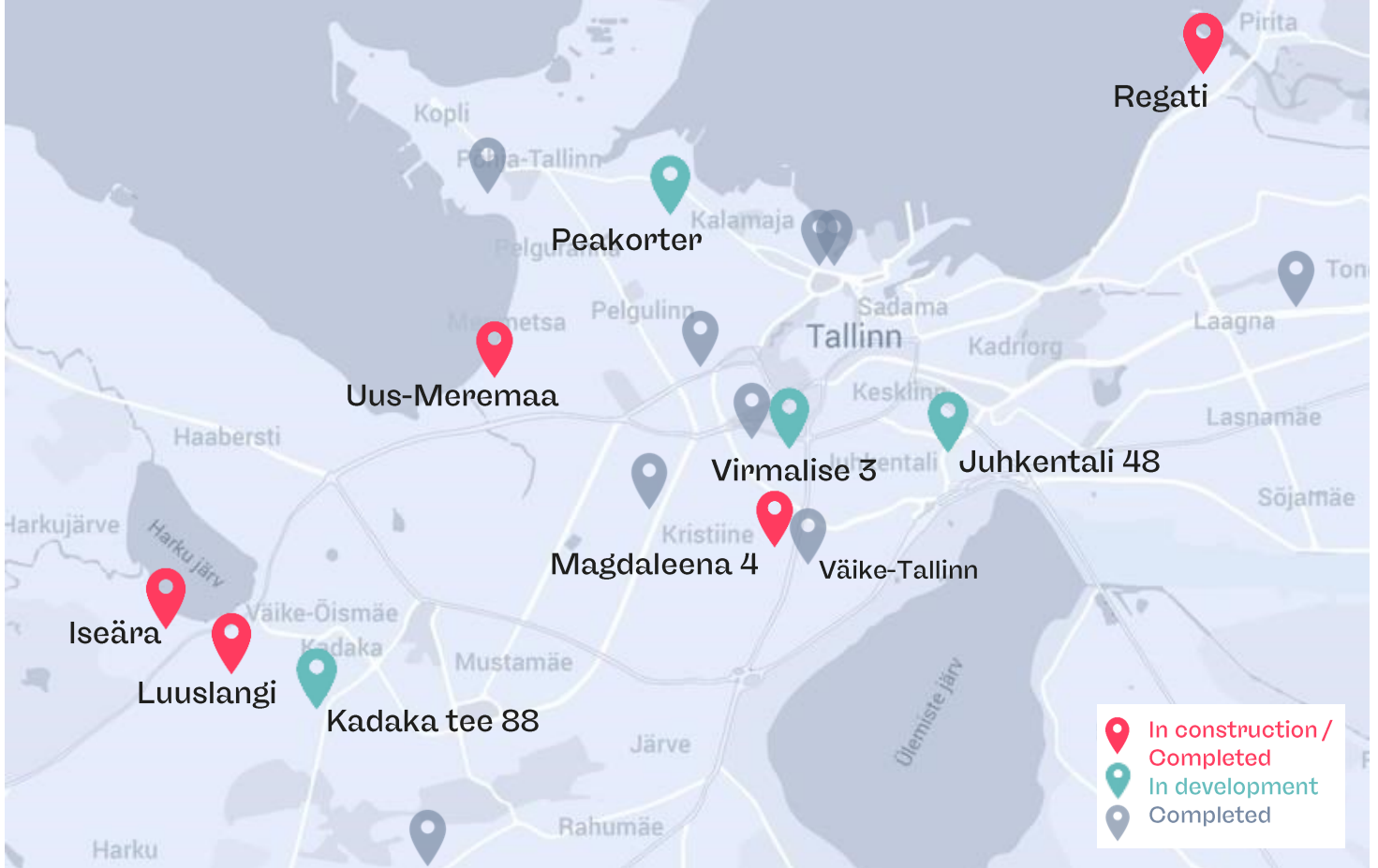
Projects: units still to be sold under the real right contract as at 30.06.2024

Project	Project status	Year of acquisition	Breakdown of sellable units			Estimated construction period (year, quarters)																Sales revenue estimate (m EUR)												
			Total sellable area (m ²)	Homes (number)	Commercial spaces (m ²)	2024				2025				2026				2027					2028				2029							
						1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4		1	2	3	4	1	2	3	4				
Väike-Tallinn	Completed	2019	493	0	493																													1.3
Uus-Meremaa	Completed, under construction	2017	2,088	19	199																													7.7
Magdaleena	Completed	2018	453	6	0																													2.0
Iseära	Completed, under construction	2019	31,382	323	675																													82.8
Luuslangi	Completed, under construction*	2018	10,795	169	200																													31.3
Regati	Building design	2021	20,691	220	1,670																													91.5
Wohngarden	Building design	2023	1,110	25	0																													9.9
Virmalise 3	Design specifications	2022	2,043	28	0																													9.2
Juhkentali 48	Detailed spatial plan	2020	7,986	63	4,033																													24.2
Kadaka tee 88	Detailed spatial plan	2017	25,903	396	2,000																													73.1
Peakorter	Detailed spatial plan	2020	8,872	137	444																													32.8
Total			111,816	1,415	9,714																													365.8

The total estimated saleable area, the breakdown of units sold, the construction period, and the sales revenue estimate shown in the table are based on Liven's best knowledge at the time and are subject to change, especially in projects or project phases where the planning procedure has not yet been completed or construction has not yet started.

* Construction of the buildings in phase I of the Luuslangi project has been completed, but construction has not yet started on phases II and III, here classified as 'Completed, under construction'.

The total space available for sale in the development portfolio at the end of the second quarter of 2024 amounted to 111,816 m² (31.03.2024: 114,525 m²), and the revenue from sales according to business plans amounted to EUR 365.8 million (31.03.2024: EUR 373.5 million). Portfolio volumes decreased during the quarter due to the completion and handover of homes in the Uus-Meremaa, Luuslangi and Magdaleena projects.



Väike-Tallinn

Throughout the quarter, routine warranty work proceeded in the project on Türi street, Tallinn, which was completed at the end of 2021 and the start of 2022. As of the report date, a 493 m² commercial premise on the ground floor remains unsold, and has been rented out to operator for [accommodation use](#) since June 2023.

In April, we signed a 5-year loan agreement with Bigbank AS for financing the unsold commercial space of the Väike-Tallinn development in the amount of EUR 1,000 thousand.

Uus-Meremaa

Three residential buildings were completed in the Mustjõe area, near Stroomi Beach, by the end of 2022 (all the homes are sold) and two more building by the end of 2023. The general contractor for all five buildings was Oma Ehitaja AS, and the construction was financed by Coop Pank AS.

During the second quarter 6 new sales contracts were signed and 5 homes were handed over in the last two residential buildings of the development. After the end of the second quarter, 2 new sales contracts were signed and at the date of publishing of the report, a total of 16 apartments and 1 commercial unit remain to be sold in the buildings at Lahepea street 17 and Lahepea street 19.

Magdaleena

In the summer 2023, two new apartment buildings with 20 homes at Asula põik 4 were completed (all the homes are sold), and at the end of 2023, an apartment building with a reconstructed wooden façade and 10 homes was completed at Magdaleena 4. During the quarter, Nostra OÜ completed the construction of a reconstructed limestone [private house](#) financed by Bigbank AS.

One new sales contract was signed during the second quarter of 2024, one more in July and as of the publishing date of the report a total of 4 more homes remain for sale in the development (including the private house).

Luuslangi

The Luuslangi project in the Haabersti district will feature a total of 13 apartment buildings with 224 homes, developed in three phases. The construction of the apartment buildings of phase I was completed by the end of 2023 (Mitt & Perlebach OÜ as general contractor, financed by Bigbank AS).

A total of 10 new sales contracts were signed during Q2, and a further 5 new sales contracts have been signed since then. A total of 19 homes (76% sold) remain unsold in completed residential buildings as of this date.

In July the construction permit for phase II was approved and we started preparing for sales activities of phase II. We plan to start the pre-sales of phase II once we have sold 80% of the homes in phase I.

Iseära

The Iseära development in Harkujärve village in Harku rural municipality will feature a total of 39 terraced houses and 13 apartment buildings, totalling more than 384 homes, 4 commercial spaces, and a day nursery. Phase I with 48 homes was completed in 2023 (all the homes are sold).

In phase II a total of 10 terraced houses with 59 homes and three small 12-apartment buildings will be completed. In Q2 we completed the construction of the 5 five terraced houses (contractor: Tesron Ehitus OÜ) and handed over 14 homes. Further 9 homes were handed over in July and 7 more homes remain to be sold.

In April, the construction of three apartment buildings (a total of 36 homes) started in Iseära phase II (general contractor: Oma Ehitaja AS). By the end of the quarter, 17/36 sales contracts had been signed (31.03.2024: 13/36 paid reservations) and 19 homes remain unsold at the report publishing date. The completion of the construction and the handover of the homes is scheduled for the second quarter of 2025.

In Q2 we started signing the sales contracts for the 29 homes in the last terraced houses of phase II. By the end of the quarter, 8 sales contracts had been signed (31.03.2024: 3/29 paid reservations), and 2 more were signed in July with 19 more homes to be sold. The construction of the buildings, scheduled for completion and handover in Q3 2025, started after in July (general contractor: Tesron Ehitus OÜ). Bigbank AS has financed both the acquisition of the land for the Iseära development as well as the construction in phases I and II.

Regati

In Pirita, near the Tallinn Olympic Sailing Center (Pirita TOP) at Regati puiestee 3, 220 homes will be constructed in two phases. The construction works on the buildings of phase I, which commenced in the preceding quarter, continued during the quarter, with Mitt & Perlebach OÜ as the contractor and LHV Pank AS as the financier. The completion of the construction of phase I is planned in Q2 2025. During the quarter, we signed 5 sales contracts, and after the reporting period, we have signed additional 3 contracts. As of the date of publishing of the report, a total of 37 contracts sales contracts have been signed, representing 39,1% of the planned m² of phase I.

Wohngarden

In the summer of 2023, we acquired a plot of land at Hüttenroder Weg 11 in Neukölln, Berlin, where we plan to build a 6-storey residential building with approximately 25 apartments to replace the existing building. During the quarter, building permit was issued for the project and demolition permit application activities, design activities and preparations for construction tender and the pre-sales continued. Pre-sales are planned to start in Q3 2024 and construction at the end of the year or early next year.

Virmalise 3

Virmalise 3 is located in the Uus Maailm district of Tallinn, and the property is currently occupied by a rented commercial building (rental until August 2024). The building is to be demolished, and permissions are pending for the construction of a residential building with 28-30 apartments. In Q2 of 2024, the existing detailed spatial plan for the site was repealed and the procedure for the preliminary design project, which is

the basis for the design conditions, continued. During the second quarter, work continued on the development and refinement of the concept.

Juhkentali 48

A mixed purpose building with 63 apartments and 4,033 m² of commercial space will be built at Juhkentali 48.

The detailed spatial plan is adopted by the Tallinn City Council, and during the quarter, a public display was held, during which suggestions for amendments and changes were received. At the public consultation on the plan held after the date of the report, the proposals to supplement and amend the plan remained valid.

In the following quarters, the detailed spatial plan will be updated, the project concept will be refined, and the terms and brief for the planned architectural competition will be prepared.

Kadaka tee 88

A total of 17 buildings with 396 apartments, ranging from two to four floors, will be completed in phases.

In April, the detailed spatial plan of Kadaka tee 88 was adopted by the Tallinn City Government. In May, it was also adopted by Tallinn City Council and the public display of the detailed plan will last until the end of July.

During this year, we intend to start the conceptual and architectural design.

Peakorter

The project includes the construction of six apartment buildings with 137 apartments at Erika street 12. In 2023, the detailed spatial plan was publicly displayed and discussed without any comments from neighbours or authorities, and the necessary approvals from all authorities except the Health Board are in place. In Q2 of 2024 we signed the contract for roads and utilities with the City of Tallinn. The land and the building on it have been rented out.



Overview of business risks

The main risks associated with Liven's business activities include market, operational, and financial risks, including those related to capitalisation and financing. Risk management, which is a central part of the group's strategic management, aims to identify and minimise economic risks in order to achieve the group's strategic and financial objectives.

The group's financial performance depends on its partners' ability to meet the agreed terms and conditions. The group is exposed to market concentration risk because it develops only residential real estate.

The group currently has a strong development portfolio and makes continuous efforts to find new potential projects, but there is no certainty about finding suitable and sufficiently profitable projects in the future.

As development activities are capital-intensive, the group's operations and financial performance depend on its ability to raise capital on appropriate terms and in appropriate amounts. The group's financial performance is also affected by the general economic and geopolitical environment, as well as the cyclical nature of the real estate market. Additional risks include high levels of competition and changes in regulations.

There is an increasing risk that regulations imposed by the central and local governments or authorities do not sufficiently consider the negative impact on construction and development costs, thereby reducing the affordability of real estate.

Outlook for the future

Despite some recovery in the market during the second quarter, the main challenges in the second half of 2024 and beyond will continue to be the impact of the external factors on demand and sales. We expect the external influences affecting the residential real estate sector to continue to improve gradually, in particular falling interest rates and real wage growth. Provided that the demand holds up or increases we are ready to quickly bring new supply to the market.

We expect continued challenges and risk also from all levels of the public sector, as part of the operating environment. There have been positive developments in Tallinn's planning procedures, but significant challenges still remain. We look forward to the conclusion of several long-drawn-out procedures either in 2024 or the first half of 2025. Planned increases in the VAT and income taxation have negative impact on real estate affordability in the coming years by simultaneously contributing to increasing sales prices and reduction in personal income.

In real estate development, results are achieved with a significant time lag and an increase in marketing expenses in the periods preceding the sales growth. The results for 2024 will reflect the conditions and decisions of 2022 and 2023, when construction work started on only a few projects and the cost base was heavily affected by high inflation. To meet our 20% return on equity target we need an annual revenue in excess of EUR 40 million. While we have the necessary capacity in our portfolio for the coming years, we can deliver only up to 110 units in total this year and consequently our revenue potential for 2024 will be at approximately EUR 30 million. In the first half of the year, we achieved revenue of EUR 12.0 million and delivered 41 homes, i.e. 37% of the total potential. By the end of July, 54% of the total potential.

With the decisions and actions undertaken in 2024, we will build on our economic performance in 2025 and 2026. Achieving good results will require improvements in external factors as well as internal efforts to reduce construction costs. As a result of the developments in the Regati and Iseära projects, we expect to see a significant improvement in financial performance in 2025 and 2026. There is sufficient capacity in the development portfolio for the next 3-4 years, but we continue to actively negotiate and consider acquisition alternatives to increase the development portfolio.

Management Board's Confirmation

Members of the management board of Liven AS have prepared the group's consolidated unaudited interim financial statements which consists of the management report and the interim financial statements for the 6-month period ended 30 June 2024.

Management board confirms that:

1. the interim financial statement for the period ended 30 June 2024 has been prepared using accounting policies and presentation of information that comply with International Financial Reporting Standards as adopted in the European Union;
2. to the best of the knowledge of the Management Board, the management report gives a true and fair view of the financial position of the group, the results of its operations, the development of its business and its principal risks and the interim financial statements give a true and fair view of the financial position and the results of the operations of the Parent and the Group;
3. Liven AS and its subsidiaries are going concerns.

Andero Laur

Chairman of the board



Consolidated statement of financial position

(in thousands of euros)	Note	30.06.2024	31.12.2023	30.06.2023
Current assets				
Cash and cash equivalents		8,530	3,721	1,918
Trade and other receivables		653	1,326	402
Prepayments	1	617	321	1,186
Inventories	2	60,785	62,112	57,265
Total current assets		70,584	67,480	60,771
Non-current assets				
Investment property		1,064	0	0
Property, plant and equipment		404	388	211
Intangible assets		358	296	262
Right-of-use assets		390	395	0
Total non-current assets		2,217	1,079	473
TOTAL ASSETS		72,801	68,559	61,244
Current liabilities				
Borrowings	3	10,053	17,106	1,108
Trade and other payables	4	8,814	9,121	7,893
Provisions		1,570	2,384	0
Total current liabilities		20,437	28,611	9,001
Non-current liabilities				
Borrowings	3	33,684	21,328	35,051
Trade and other payables	4	753	469	815
Provisions		41	29	5
Total non-current liabilities		34,478	21,826	35,871
Total liabilities		54,915	50,437	44,872
Equity				
Share capital		1,185	1,183	1,181
Share premium		9,405	9,339	9,250
Share option reserve		416	363	378
Own (treasury) shares		0	-1	-1
Statutory capital reserve		118	115	115
Retained earnings (prior periods)		6,468	6,347	6,342
Profit for the year		293	775	-892
Total equity attributable to owners of the parent		17,886	18,122	16,373
Total equity		17,886	18,122	16,373
TOTAL LIABILITIES AND EQUITY		72,801	68,559	61,244

Consolidated statement of comprehensive income

(in thousands of euros)	Note	2024 3 months (April-June)	2023 3 months (April-June)	2024 6 months (January-June)	2023 6 months (January-June)
Revenue	5	8,546	12,258	12,045	14,553
Cost of sales	7	-6,983	-12,079	-9,964	-14,315
Gross profit		1,563	179	2,081	238
Distribution costs	8	-376	-207	-651	-406
Administrative expenses	9	-344	-299	-642	-618
Other operating income		12	4	12	10
Other operating expenses		-3	-4	-7	-4
Operating profit		852	-327	793	-780
Finance income		10	2	25	3
Finance costs		-250	-2	-356	-11
Total finance income and finance costs		-239	0	-331	-8
Profit before tax		612	-327	462	-788
Income tax expense		-169	-104	-169	-104
Net profit for the year		443	-431	293	-892
Attributable to owners of the parent		443	-431	293	-892
Comprehensive income for the year		443	-431	293	-892
Attributable to owners of the parent		443	-431	293	-892
Basic profit/loss per share	11	0.037	-0.037	0.025	-0.076
Diluted profit/loss per share	11	0.036	-0.036	0.024	-0.074

Consolidated statement of cash flows

(in thousands of euros)

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2024 3 months (April-June)	2023 3 months (April-June)	2024 6 months (January-June)	2023 6 months (January-June)
Operating profit		852	-327	793	-780
Adjustments for:					
<i>Depreciation, amortisation and impairment losses</i>		82	36	161	73
<i>Non-monetary transactions</i>		100	0	152	0
<i>Other adjustments</i>		-236	636	607	1,109
Total adjustments		-54	672	780	1,182
Change in receivables and prepayments	1	-653	148	318	402
Change in inventories	2	2,004	2,379	1,328	-2,939
Change in payables and deferred income	4	1,685	-233	500	-1,637
NET CASH USED IN OPERATING ACTIVITIES		3,834	2,638	3,838	-3,772
CASH FLOWS FROM INVESTING ACTIVITIES					
Paid on acquisition of property, plant & equipment and intangible assets		-70	-55	-218	-92
Proceeds from sale of property, plant & equipment and intangible assets		0	0	0	4
Loans granted		0	6	0	6
Interest received		11	0	26	0
NET CASH USED IN INVESTING ACTIVITIES		-59	-49	-192	-82
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans received	3	9,779	6,564	22,844	12,456
Repayments of loans received	3	-5,442	-9,199	-18,509	-10,008
Lease payments made		-49	-3	-79	-8
Interest paid	3	-1,731	-446	-2,368	-859
Government grants		0	0	59	0
Proceeds from issue of shares		2	0	2	1,051
Dividends paid		-635	-416	-635	-416
Corporate income tax paid		-171	-104	-171	-104
NET CASH FROM FINANCING ACTIVITIES		1,753	-3,604	1,143	2,112
NET CASH FLOW		5,528	-1,015	4,809	-1,742
Cash and cash equivalents at beginning of period		3,002	2,993	3,721	3,660
Increase in cash and cash equivalents		5,528	-1,015	4,809	-1,742
Cash and cash equivalents at end of period		8,530	1,918	8,530	1,918

Consolidated statement of changes in equity

(in thousands of euros)	Equity attributable to owners of the parent						Total equity
	Share capital	Share premium	Share option reserve	Own (treasury) shares	Statutory capital reserve	Retained earnings	
As at 31 December 2022	1,152	8,228	274	-1	102	6,772	16,526
Profit for the year	0	0	0	0	0	775	775
Issue of share capital	32	1,022	0	0	0	0	1,054
Share options	0	89	94	0	0	0	183
Transfer to capital reserve	0	0	0	0	13	-13	0
Sale of own shares	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	-416	-416
Other changes in equity	0	0	-5	0	0	5	0
As at 31 December 2023	1,183	9,339	363	-1	115	7,122	18,122
Profit for the year	0	0	0	0	0	293	293
Issue of share capital	2	0	0	0	0	0	2
Share options	0	66	38	0	0	0	104
Transfer to capital reserve	0	0	0	0	3	-3	0
Sale of own shares	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	-635	-635
Other changes in equity	0	0	16	0	0	-16	0
As at 30 June 2024	1,185	9,405	416	0	118	6,761	17,886

The sale of own shares that have taken place both in 2023 and 2024, do not appear in the report as a result of rounding to thousand euros.

Notes to the consolidated financial statements

Note 1. Prepayments

(in thousands of euros)	30 June 2024	31 December 2023	30 June 2023
Prepayments to suppliers	18	145	178
Prepayments to suppliers for inventories	3	30	166
Prepaid expenses	340	36	804
Prepaid taxes	255	109	38
Total	617	321	1,186

Note 2. Inventories

The table below shows inventories grouped by the status of the development projects carried out by the group's subsidiaries and in chronological order. For multi-phase projects with different statuses for each phase, inventories are presented in the group corresponding to the latest status of the development phase. Multi-phase projects where an earlier phase includes completed construction, but a later phase is either under construction or has not yet begun construction, are presented in 'Both completed and under construction'. Exceptionally, the inventories related to the development of the Luuslangi project as of 30 June 2024 are presented under the status 'Construction completed', as the majority of the inventories relate to the buildings completed in phase I and the construction of subsequent phases has not started.

(in thousands of euros)	30 June 2024	31 December 2023	30 June 2023
Construction completed	14,972	10,443	1,737
Both completed and under construction	11,258	20,986	20,326
Under construction	18,525	0	9,485
Building design	3,077	18,194	14,421
Development plans and other inventories	12,953	12,489	11,296
Total	60,785	62,112	57,265

Starting from the current quarter, the unsold commercial property in Väike-Tallinn is recorded as investment property instead of inventory.

Note 3. Borrowings

In the preparatory stage of projects, the group uses mortgage loans from local commercial banks, bonds, as well as junior loans and mezzanine-type investor loans, which are unsecured and subordinated to bank loans. A characteristic feature of investor loans is that the terms of their principal and interest payments are designed to take into account the cash flows of a development project. Interest payments are usually made either at the end of a project stage or at the end of the loan term together with the repayment of the loan principal. The group uses bank loans to finance the construction.

30 June 2024				Repayable		
Loan type (in thousands of euros)	Interest rate	Balance at 30 Jun 2024	Incl. from related parties	Within 1 year	2–5 years	Over 5 years
Bank loans, construction	4,8-4,9% + 6M Euribor	6,460	0	2,387	4,073	0
Bank loans, construction	4,9%	1,173	0	1,173	0	0
Bank loans, development	3,9-7,95% + 6M Euribor	13,001	0	2,224	10,777	0
Bonds	8,5-10,5%	12,600	878	600	12,000	0
Investor loans	8,0-14,0%*	10,451	7,173	3,663	6,788	0
Total		43,685	8,051	10,047	33,638	0

* The interest on loans received by Liven Kodu 5 OÜ consists of a fixed interest rate of 8% p.a. and an additional fee which depends on the result of the project. The current repayment of the loan is conditional, as the timing of the repayment depends on the timing of the project's sales. In the event of insufficient sales over the next 12 months, Liven Kodu 5 OÜ also has the right to defer the loan repayment.

31 December 2023				Repayable		
Loan type (in thousands of euros)	Interest rate	Balance at 31 Dec 2023	Incl. from related parties	Within 1 year	2–5 years	Over 5 years
Bank loans, construction	4,8-4,9% + 6M Euribor	9,043	0	5,726	3,317	0
Bank loans, construction	4,9-6,99%	2,940	0	1,766	1,174	0
Bank loans, development	4,9-6,0% + 6M Euribor	4,506	0	0	4,506	0
Bank loans, development	6,0%	6,000	0	6,000	0	0
Bonds	8,5-10,5%	4,400	400	600	3,800	0
Investor loans	8,0-14,0%*	11,473	7,068	3,000	8,473	0
Total		38,362	7,468	17,093	21,269	0

* The interest on loans received by Liven Kodu 5 OÜ consists of a fixed interest rate of 8% p.a. and an additional fee which depends on the result of the project.

30 June 2023				Repayable		
Loan type (in thousands of euros)	Interest rate	Balance at 30 Jun 2023	Incl. from related parties	Within 1 year	2–5 years	Over 5 years
Bank loans, construction	4,8-4,9% + 6M Euribor	2,225	0	0	2,225	0
Bank loans, construction	4,9-6,99%	11,201	0	0	11,201	0
Bank loans, development	4,9-6,0% + 6M Euribor	2,700	0	0	2,700	0
Bank loans, development	6,0%	6,000	0	0	6,000	0
Bonds	8,5%-10,5%	4,400	200	0	4,400	0
Investor loans	8,0-13,5%*	9,526	6,245	1,100	8,426	0
Total		36,052	6,445	1,100	34,952	0

* The interest on loans received by Liven Kodu 5 OÜ consists of a fixed interest rate of 8% p.a. and an additional fee which depends on the result of the project.

In addition to the loans set out in the tables above, borrowings include lease liabilities, which amounted to 52 thousand euros as of 30 June 2024 (31 March 2024: 68 thousand euros). All loans as of 30 June 2024, 31 December 2023 and 30 June 2023 are denominated in euros. Investor loans include loans from related parties. The classification of loans as current or non-current is based on their contractual maturity dates.

Given that the project is expected to end within the next 12 months, management has estimated, based on the business plan, that the potential amount of the remaining liability for the additional fee linked to the success of the project is 2,355 thousand euros. The actual outcome of the project is uncertain, and therefore the additional fee linked to the project's success may be higher or lower than estimated. During the quarter 850 thousand euros of the interest was paid.

Liven AS has the following financial obligations in relation to the bonds listed on the Nasdaq Tallinn Exchange Baltic bond list (Liven 10.5% 4Y green bond; ISIN: EE3300004332) until the bonds are fully redeemed:

- The Group's adjusted equity ratio¹ is more than 20%. As of 30.06.2024: 27.4%.
- Group adjusted leverage ratio² of less than 3.0. As of 30.06.2024: 2.0.
- The Company shall ensure at all times the availability of free cash in the accounts for at least two consecutive interest payment dates for the amount of interest due, which is 326 thousand euros. The unconsolidated cash balance of Liven AS at 30.06.2024: 6,247 thousand euros.

¹ Adjusted equity ratio (%) = Total equity attributable to equity holders of the parent / (Total assets - construction loans)

² Adjusted leverage ratio = (total loan commitments - construction loans) / total equity attributable to equity holders of the parent company

Note 4. Trade and other payables

(in thousands of euros)	30 June 2024	31 December 2023	30 June 2023
Trade payables	2,471	1,526	2,972
Deferred income	4,502	2,739	3,301
Other payables			
Payables to employees	148	118	105
Taxes payable	745	1,963	727
Interest payable	223	1,013	235
Miscellaneous payables	726	1,763	553
Total other payables	1,842	4,857	1,620
Total current trade and other payables	8,814	9,121	7,893
Deferred income	0	28	38
Interest payable	384	97	777
Other payables	369	345	0
Total non-current trade and other payables	753	469	815

Deferred income as of 30 June 2024, 31 December 2023 and 30 June 2023 comprises deferred income received from customers in connection with housing development projects. Other payables consist mainly of accrued payables related to buildings completed at the end of the year for amounts not yet invoiced by general contractors and furniture dealers.

Note 5. Revenue

(in thousands of euros)	2024 3 months (April-June)	2023 3 months (April-June)	2024 6 months (January-June)	2023 6 months (January-June)
Sale of real estate	8,313	12,001	11,618	14,205
Sale of furniture and furnishings	149	219	265	273
Rental income	84	38	162	75
Total revenue	8,546	12,258	12,045	14,553

In Q1 and Q2 of 2024 and throughout 2023, the only geographical area where revenue was generated was Estonia. Furniture and furnishings are sold together with the real estate, and both are treated as revenue from contracts with customers.

Note 6. Staff costs

(in thousands of euros)	2024 3 months (April-June)	2023 3 months (April-June)	2024 6 months (January-June)	2023 6 months (January-June)
Salary expenses	398	360	770	757
Social security and unemployment insurance charges	115	101	223	216
Total	513	461	993	973
Average number of employees converted to full-time equivalent	29	27	28	26
Incl. people working under employment contracts	26	24	25	23
Incl. people working under board member's service contracts	3	3	3	3

Note 7. Cost of sales

(in thousands of euros)	Note	2024 3 months (April-June)	2023 3 months (April-June)	2024 6 months (January-June)	2023 6 months (January-June)
Construction, fitout and furnishing expenses		5,557	9,884	7,492	11,317
Plot acquisition and preparation costs		282	692	382	773
Staff costs	6	303	296	594	636
Financing charges		723	687	1,292	976
Depreciation and amortisation		19	8	39	18
Other costs		98	512	166	595
Total		6,983	12,079	9,964	14,315

Note 8. Distribution costs

(in thousands of euros)	Note	2024 3 months (April-June)	2023 3 months (April-June)	2024 6 months (January-June)	2023 6 months (January-June)
Media costs		127	66	255	96
Staff costs	6	74	64	144	133
Depreciation and amortisation		26	21	52	41
Other costs		149	56	200	136
Total		376	207	651	406

Note 9. Administrative expenses

(in thousands of euros)	Note	2024 3 months (April-June)	2023 3 months (April-June)	2024 6 months (January-June)	2023 6 months (January-June)
Staff costs	6	136	101	255	203
Training and other staff-related expenses		10	36	21	73
Business travel and transport expenses		2	31	14	57
Office expenses		17	49	37	97
Accounting and audit expenses		82	57	156	136
Legal fees and consulting expenses		44	12	53	24
Depreciation and amortisation		36	7	71	14
Other expenses		16	6	35	14
Total		344	299	642	618

Note 10. Investments in subsidiaries

The parent company's ownership interests in subsidiaries as at the reporting date:

Name of subsidiary	Core business	Domicile	Interest, % 30.06.2024	Interest, % 31.12.2023	Interest, % 30.06.2023
Liven Kodu OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 5 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 6 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 10 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 11 OÜ	Development of building projects	Estonia	-	100	100
Liven Kodu 12 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 14 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 15 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 16 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 17 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 18 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 19 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 20 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 21 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 22 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 23 OÜ	Development of building projects	Estonia	100	100	100
Liven Kodu 24 OÜ	Development of building projects	Estonia	100	100	100
Liven Wohnungsbau GmbH	Development of building projects	Germany	100	100	100
Liven HW11 GmbH	Development of building projects	Germany	100*	100*	100*

*100% ownership interest through Liven Wohnungsbau GmbH

Note 11. Basic and diluted earnings per share

To find the average earnings per share, the net profit attributable to owners of the parent company is divided by the weighted average number of shares. A similar calculation has been made to find the diluted earnings, but the number of ordinary shares potentially accreted from share options has been added to the weighted average number of shares.

(number of shares)	2024 3 months (April-June)	2023 3 months (April-June)	2024 6 months (January-June)	2023 6 months (January-June)
Weighted average number of ordinary shares	11,853	11,807	11,844	11,685
Share options at period-end	326	313	326	313
Weighted average number of ordinary shares including the number of dilutive potential ordinary shares	12,180	12,120	12,170	11,997

(in euros)	2024 3 months (April-June)	2023 3 months (April-June)	2024 6 months (January-June)	2023 6 months (January-June)
Profit/loss attributable to owners of the parent (in thousand euros)	443	-431	293	-892
Profit/loss per share	0.037	-0.037	0.025	-0.076
Diluted profit/loss per share	0.036	-0.036	0.024	-0.074



Courtyard of Luuslangi
Photo: Karl Kasepõld