



Consolidated unaudited interim report for the I 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 nearly 1 500 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.

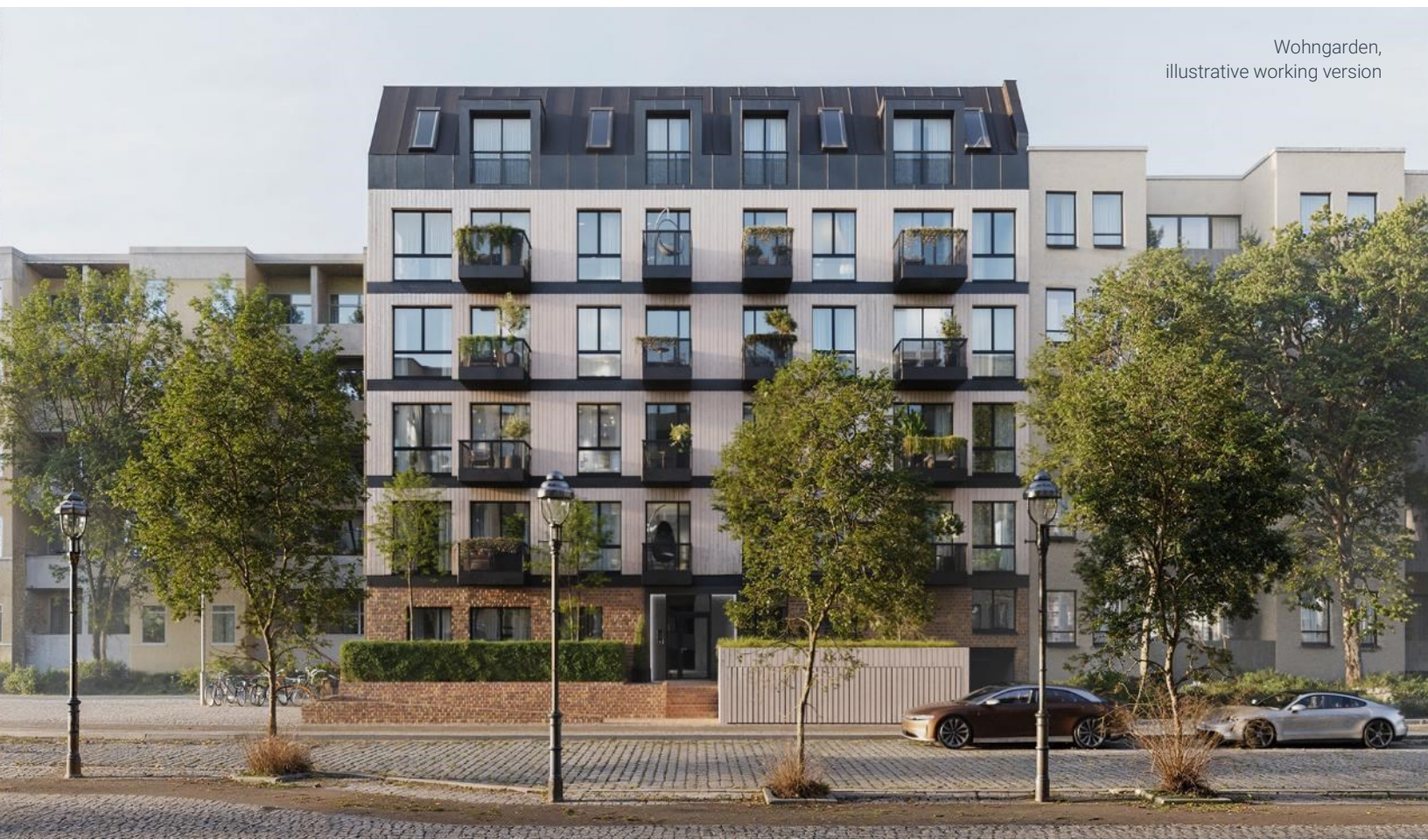
Liven's development portfolio includes 10 projects, with land for nearly 1,500 new homes. Homes are currently for sale in five developments – Magdaleena, Uus-Meremaa, Luuslangi, Iseära, and Regati. In 2023, Liven expanded into the German market by acquiring land in Berlin for the development of the Wohngarden 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%.

Wohngarden,
illustrative working version



Overview of the I quarter of 2024

As expected, the first quarter of 2024 remained a challenging period for residential property development, due to factors arising from external and seasonal influences. During the quarter, we signed a total of 16 contracts under the law of obligations (Q1 2023: 7), most of it came from continuation of signing the contracts in the Regati development project, which started last quarter. Demand for ready-to-move-in apartments was also negatively affected by the increased VAT rate from the beginning of the year and the higher concentration of demand in the preceding period.

During the quarter, we continued to take paid reservations for both terraced houses and apartment buildings in the Iseära development. The weekly sales ratio, which represents the number of homes going out of supply under contracts under the law of obligations or paid reservations is at 1% at the end of the quarter and it has increased to 1,5% at the beginning of Q2. The long-term average level can be 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)

In the first quarter, we handed over a total of 12 new homes in developments completed (11 in 2023 Q1). Of these, 5 were in phase II of the Uus-Meremaa development and 7 were in phase I of the Luuslangi development. Revenue for the quarter was EUR 3,498 thousand (2023 Q1: EUR 2,294 thousand) and net loss for the period was EUR -150 thousand (2023 Q1: EUR -461 thousand).

12-month rolling customer satisfaction feedback rating, collected at various stages of the customer journey and measured on a 10-point scale, decreased to 7.5 by the end of the quarter (end of Q1 2023: 8.9/10). The decline in feedback is primarily related to the delay of Magdalena and Iseära phase I developments' construction completion and handover of these homes, the need to improve customer communication and due to confluence of adverse circumstances related to the quality of construction management. One of the focus areas for 2024 will be to increase both the quantity and quality of customer feedback assessments.

Assets decreased by EUR 1,008 thousand during the quarter, slipping to EUR 67,551 thousand. Equity decreased to EUR 18,024 thousand by the end of the first quarter of 2024 and the borrowings increased by EUR 911 thousand during the quarter to EUR 39,345 thousand. The current borrowings decreased by EUR 15,764 thousand due to the repayment of construction loans and the refinancing and extension of existing loan agreements. However, the recognition of the EUR 3,591 Uus-Meremaa project investor loan as current liability resulted in current borrowings of EUR 4,933 thousand at the end of the quarter. The repayment timing of the Uus-Meremaa loan is conditional to the receipt of the project's sales revenue, and if sufficient sales revenue is not received within the next 12 months, Liven has the discretion to defer the loan repayment.

Changes in the financing of the Regati development project and commencement of construction

In accordance with the earlier agreement with LHV Bank AS, we refinanced the EUR 6,000 thousand bank loan secured by the previous property mortgage in January 2024. We also agreed on the terms of the extension of the EUR 3,000 thousand subordinated mezzanine loan.

In March 2024, Mitt & Perlebach OÜ, the general contractor, commenced construction work on the Regati development. The construction is scheduled for completion in the summer of 2025. We have had a good experience and cooperation in the past with the general contractor, with the construction of homes in both Suur-Patarei and Luuslangi projects. The construction of Regati development is financed by LHV Pank AS. The progress of the construction can be monitored in real time via a [webcam](#).

Property purchase and refinancing of construction loans in the Luuslangi development project

In January 2024, we made the last payment for the remaining properties in the Luuslangi development project. We also entered into a loan to refinance the loans taken to finance the construction of the previous buildings and infrastructure and to finance working capital, secured by the apartments completed in phase I. The refinancing also allows for an earlier interim interest payment on the mezzanine loan.

Detailed spatial plan for Juhkenatli 48

In the first quarter of 2024, the detailed spatial plan for Juhkentali 48 was adopted by the Tallinn City Council. After the reporting period, a public display of the detailed spatial plan was held, during which suggestions for amendments and changes were received.



Liven's new showroom and Liven 10

In the first quarter of 2024, we celebrated the 10th anniversary of Liven's founding with the opening of a new showroom. The main considerations for moving to the new space, which is at street level in the Telliskivi Creative City, were to provide customers with better accessibility and quality of service, as well as to enhance the home buying experience. It also increased the visibility of the Liven brand and offerings in the public.

Business name change of development company in Germany

At the beginning of 2024, the name change of the company developing the project at Hüttenroder Weg 11 in Berlin (Wohngarden) was registered. Previously named Liven Hermsdorf GmbH, the company is now called Liven HW11 GmbH.

Key figures

(in thousands of euros)	January - March		
	2024	2023	2022
Contracts under the law of obligations (number)	16	7	40
Real right contracts (number)	12	11	62
Customer feedback score 12M (10 point scale)	7.5	8.9	9.0
Revenue	3,498	2,294	9,080
Earnings before interest, tax, depreciation and amortisation (EBITDA)	657	-4	2 657
EBITDA margin, %	18.8%	-0.2%	29.3%
Operating profit/loss	-60	-453	2,327
Operating profit/loss margin, %	-1.7%	-19.7%	25.6%
Net profit/loss	-150	-461	2,357
<i>Attributable to owners of the parent</i>	-150	-461	2,357
<i>Attributable to non-controlling interest</i>	0	0	0
Net margin, % ^e	-4.3%	-20.1%	26.0%
Weighted average number of shares (in thousands)	11,834	11,561	11,515
Earnings per share (in euros) ^e	-0.013	-0.040	0.205
Return on equity (ROE), %*	6.3%	3.2%	21.8%
Return on capital employed (ROCE), %*	9.6%	12.6%	12.6%
Return on assets (ROA), %*	1.9%	0.9%	6.5%
	31.03.2024	31.03.2023	31.03.2022
Equity ratio, %	26.7%	26.5%	27.4%
Adjusted equity ratio (without construction loans), %	36.4%	34.1%	32.4%
Assets at the end of period	67,551	64,839	52,614
Equity at the end of period	18,024	17,168	15,239
<i>Attributable to the owners of the parent</i>	18,024	17,168	15,239
Current ratio	4.61	4.38	3.87
Quick ratio	0.25	0.32	0.37
Average number of employees	27	23	21

^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

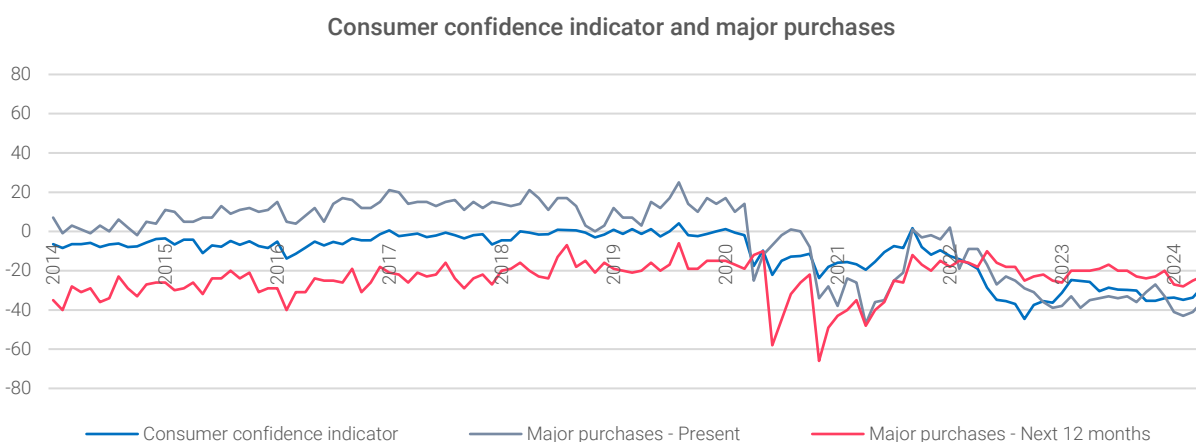
Significant developments in the economic environment in the period under review

The 6-month Euribor rate, which has been rising since spring 2022, reached a 15-year high of 4.143% in mid-October 2023. Since then, the Euribor has declined somewhat and remained stable in the first quarter of 2024 compared to the end of 2023, reaching 3.851% at the end of March (31.12.2023: 3.861%). After the reporting period, the Euribor has not changed significantly, remaining at a level of 3.82 - 3.87%.

At the European Central Bank Governing Council meetings in January and March 2024, the ECB decided to leave the base rate unchanged. However, the general market expectation is for Central Bank rates and Euribor to fall over the course of 2024, especially in the second half of the year. In March, the Swiss central bank decided to lower interest rates, followed by the Swedish central bank in May.

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 first quarter of 2024, the annual inflation rate was 3.9% (2023 Q4: 4.3%). A large part of the increase was due to VAT and excise duty rises at the beginning of the year. Excluding the impact of the tax rises, annual price increases reached 2.4% in March.

According to the latest data from Statistics Estonia, the annual increase in the average gross salary in the first quarter (9.1%) exceeded inflation. The increase in the minimum wage at the beginning of the year also impacted salary statistics.



Source: Estonian Institute of Economic Research

Consumer confidence, which has been low since the second half of 2022, continued to be weak throughout the Q1 of 2024, similar to the previous quarter. Deflationary expectations have affected the residential real estate sector since autumn 2022, and this trend appeared to continue into early 2024. Consumers are more likely to view the purchase of durable goods more favourably over the next 12 months rather than now, so there is a general sentiment to wait and delay purchasing decisions. However, there are signs of an improvement in consumer confidence based on data from the Estonian Institute of Economic Research for April.

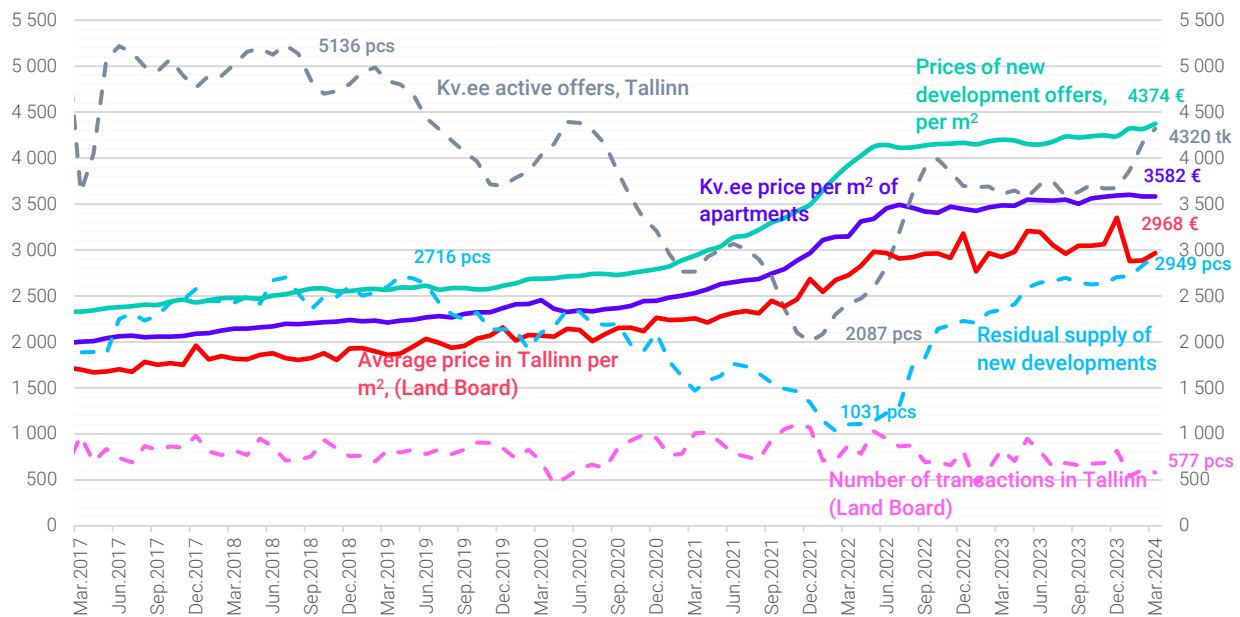
New developments market

The offer prices of new developments in the first quarter of 2024 increased by 8.6% compared to the fourth quarter of 2023, mainly due to the addition of a few new development projects and the changed VAT rate. The number of transactions declined by 25% compared to the fourth quarter of 2023 but increased significantly (64%) compared to the first quarter of 2023. The surge in sales at the end of 2023 was linked to the tax changes at the beginning of 2024, as homebuyers were keen to complete transactions before the increase in the VAT rate. The number of new offers was higher by 43 or 28% compared to the previous quarter.

At the end of 2023, the inventory of unsold ready-to-move-in apartments surged to 889 due to the completion of several development projects. In the first months of 2024, the inventory decreased slightly but, due to low transaction activity, remained at a similar level, totalling 833 apartments at the end of March. Consequently, options for homebuyers and market competition remain high.

Approximately 310 apartments were sold in new developments during the period (based on market data), which is 25% lower than the previous quarter (2023 Q4: approximately 420) but 1.6 times higher than the market low a year ago (Q1 2023: approximately 190).

The average price per square metre of a new apartment in Tallinn was EUR 4,374 in the first quarter, showing an annual increase of 14%. Quarter-on-quarter, the price increased by two percent.



3D illustration of a living room in Regati development project

Events after the reporting period

Key events in development projects

- In April, the detailed spatial plan for **Kadaka tee 88** was adopted by the Tallinn City Government. In May, it was also adopted by the Tallinn City Council. The public display of the detailed spatial plan will begin in the near future.
- In April, construction began on three apartment buildings of **Iseära phase II**, carried out by Oma Ehitaja AS as the general contractor. The construction of these buildings, totalling 36 homes and scheduled for completion by the end of the second quarter of 2025, is financed by Bigbank AS.
- In April, we signed a 5-year loan agreement with Bigbank AS to finance the unsold commercial premise in the **Väike-Tallinn** project for EUR 1,000 thousand. The premise on the ground floor has been rented out to an operator for providing accommodation services.

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. As a result of the oversubscription, management board decided to increase the size of the offer to 6,200 bonds, i.e., EUR 6,200 thousand.

Overview of the projects

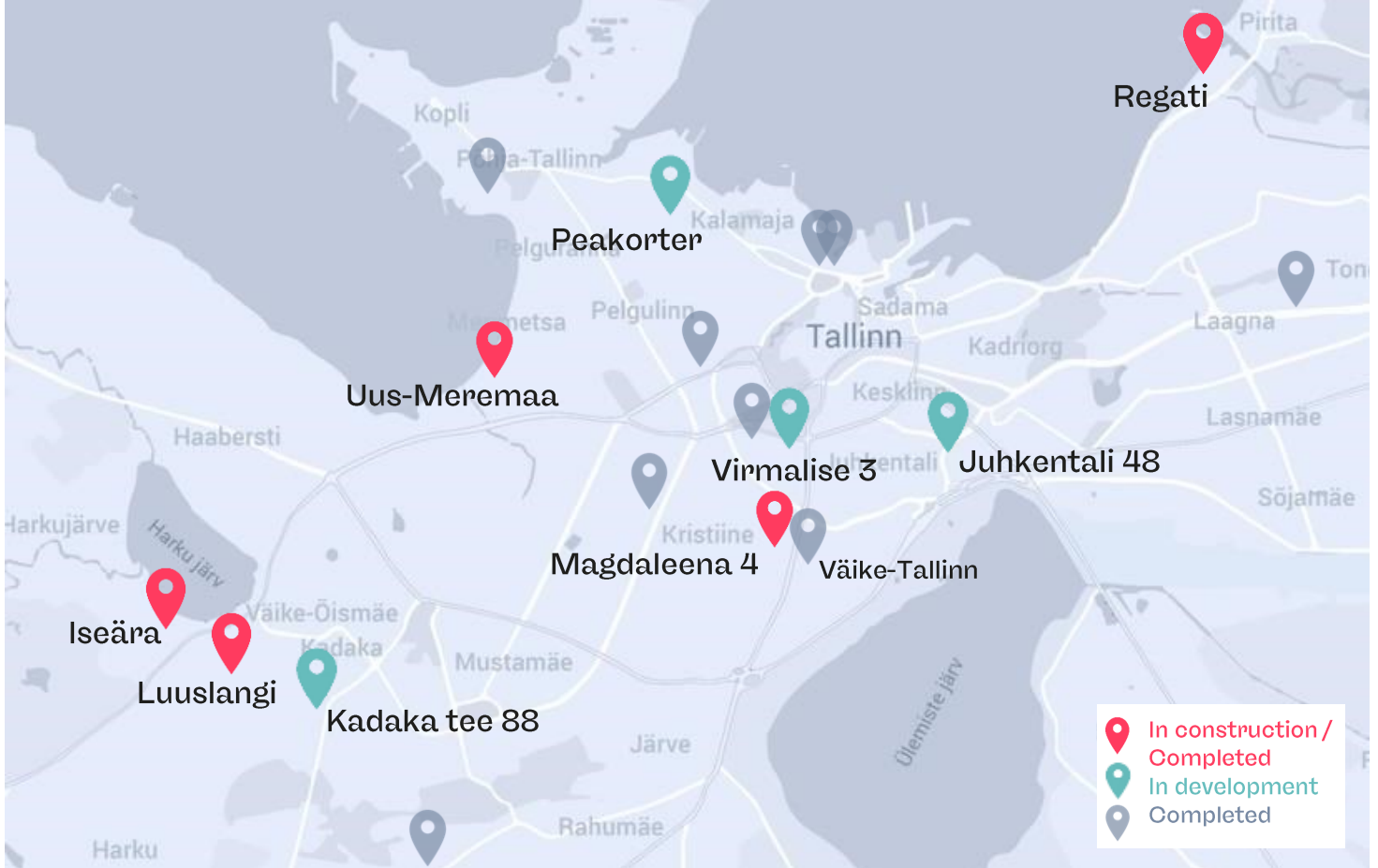
Projects: units still to be sold under the real right contract as at 31.03.2024

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	2,474	24	199																																	9.0
Magdaleena	Completed, under construction	2018	549	7	0																																	2.2
Iseära	Completed, under construction	2019	32,901	336	675																																	86.8
Luuslangi	Completed, under construction*	2018	11,504	179	200																																	33.4
Regati	Building design	2021	20,691	220	1,670																																	91.6
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			114,525	1,415	9,714																																	373.5

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 first quarter of 2024 amounted to 114,525 m² (31.12.2023: 115,433 m²), and the revenue from sales according to business plans amounted to EUR 373.5 million (31.12.2023: EUR 375.5 million). Portfolio volumes decreased during the quarter due to the completion and handover of homes in the Uus-Meremaa and Luuslangi 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 for [accommodation use](#) since June 2023.

Uus-Meremaa

Three residential buildings were completed in the Mustjõe area, near Stroomi Beach, by the end of 2022 and two more 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 Q1, 5 homes were handed over in the last two residential buildings or the development, with no new sales contracts signed. Since the end of the Q1, 4 new sales contracts have been made, and as of the report date, a total of 20 apartments and 1 commercial unit remain to be sold in Lahepea 17 and Lahepea 19 buildings.

Magdaleena

In summer 2023, two new apartment buildings with 20 homes at Asula põik 4 were completed, and at the end of 2023, an apartment building with a reconstructed wooden façade and 10 homes was completed at Magdaleena 4. The development project's [private house](#) is still under construction.

During the quarter, Nostra OÜ continued the construction of the building being renovated, financed by Bigbank AS. The completion of the limestone building is scheduled for Q2 2024. There were no new sales in the development project in Q1 2024; however, one sales agreement was signed after the reporting period. As of the report date, a total of 5 homes (including a private house in the development project) remain for sale.

Luuslangi

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

The distinguishing strengths of the Luuslangi project in the highly competitive Haabersti area are its A energy class, good living environment, and small-scale buildings. Additionally, since the beginning of 2024 ready-to-move-in homes with kitchen furniture, bathroom fixtures, and installed lighting.

During the quarter, 7 homes were handed over to new owners, and since the end of the quarter, 5 new real sales have been made. As of the report date, a total of 29 homes remain unsold in completed residential buildings (64% sold). The building permits for phase II are still in the final stages of processing, and we expect to receive them during Q2 2024. We plan to start the sales activities for phase II after 80% of phase I is sold.

Iseära

The Iseära project in Harkujärve village in Harku rural municipality will feature 39 terraced houses and 13 apartment buildings, totalling more than 384 homes, 4 commercial spaces, and a day nursery.

Phase II includes a total of 10 terraced houses with 60 homes and 3 apartment buildings with 12 apartments. Construction of the first 5 terraced houses, with completion in summer 2024, continued during Q1 (contractor Tesron Ehitus OÜ, financier Bigbank AS), and construction of the apartment buildings also began (contractor Oma Ehitaja AS). Handover of the apartments is scheduled for the Q2 of 2025.

During the quarter, pre-sales of phase II apartments and terraced houses continued. By the end of the quarter, 13 out of 36 paid reservations had been made for the apartment buildings (31.12.2023: 7/36). After the reporting period, we started signing contracts under the law of obligation, and by the report date, 15 contracts had been signed. For the first five terraced houses 23/30 contracts under the law of obligation had been signed by the end of Q1 (31.12.2023: 21/30). For the last five terraced houses, 3/17 paid reservations had been made by the end of Q1 (31.12.2023: 3/17), with a further 5 paid reservations signed after the reporting period.

Regati

In Pirita, near the Tallinn Olympic Sailing Center (Pirita TOP) at Regati puiestee 3, 220 homes will be constructed in two phases. During the quarter, construction of phase I started, with Mitt & Perlebach OÜ as the contractor and LHV Pank AS as the financier. During the quarter, we signed 12 contracts under the law of obligation, and after the reporting period, we have signed additional 5 contracts. As of the report date, a total of 34 contracts under the law of obligation have been signed, representing 33.4% 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, design activities, the building permit procedures and preparations for initiating the construction tender and pre-sale continued. After the reporting period, a building permit was issued for the project. Pre-sales is planned to commence in the summer of 2024 and construction in the end of the 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. The building is to be demolished, and permissions are pending for the construction of a residential building with 28-30 apartments. In Q1 of 2024, the city continued the process of repealing the spatial plan and processing the preliminary design project on which the planning permission is based. After the reporting period, the existing detailed spatial plan for the site was repealed, which was necessary to proceed with the planning permission process. We are continuing to refine the concept.

Juhkentali 48

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

During Q1, the detailed spatial plan was adopted by the Tallinn City Council, and after the reporting period, a public display was held, during which suggestions for amendments and changes were received.

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.

During the quarter, the approval process for the draft adoption continued, and the project timetable was extended. After the reporting period, the detailed spatial plan was adopted by the Tallinn City Government and the Tallinn City Council. During this year, we intend to start the conceptual and architectural design.

Peakorter

The project involves construction of six apartment buildings with a total of 137 apartments. 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 Q1 of 2024 a corrected detailed spatial plan was submitted to the Tallinn Urban Planning Department and, after the reporting period, 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.

2024 outlook

Our outlook for 2024 has not changed significantly compared to 2023. Demand and sales will remain the main challenges in 2024. While we expect the environment and external factors affecting the real estate sector to improve, the year, especially the first half, will continue to be challenging and risky. Moreover, the expected interest rate cut scenario is unlikely to lead to a surge in demand. As the environment improves, we expect demand to pick up, especially in the second half of the year, and we are ready to quickly bring new supply to the market.

In real estate development, results are achieved with a significant time lag. The results for 2024 will reflect the years 2022 and 2023, when construction work started on only a few projects and the cost base was heavily affected by high inflation. Based on the portfolio of developments completed and under construction, we will be able to deliver up to 110 residential and commercial spaces in the current year. Consequently, our maximum potential revenue in 2024 will be approximately 30 million euros, and earnings potential will remain between the results for 2022 and 2023. This means that our portfolio is still too small to achieve our 20% return on equity target in 2024.

Tallinn's planning procedures continue to face challenges, but there have also been positive developments recently. We look forward to the conclusion of several long-drawn-out procedures either in 2024 or the first half of 2025.

There have not been many good opportunities in the market for acquiring new properties in recent years, but there are signs of new opportunities emerging during 2024.

With the activities we undertake 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.

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 3-month period ended 31 March 2024.

Management board confirms that:

1. the interim financial statement for the period ended 31 March 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

Mihkel Simson

Member of the board

Alina Kester

Member of the board



Consolidated statement of financial position

(in thousands of euros)	Note	31.03.2024	31.12.2023	31.03.2023
Current assets				
Cash and cash equivalents		3,002	3,721	2,933
Trade and other receivables		99	1,326	447
Prepayments	1	517	321	1,294
Inventories	2	62,789	62,112	59,683
Total current assets		66,407	67,480	64,357
Non-current assets				
Property, plant and equipment		429	388	246
Intangible assets		340	296	236
Right-of-use assets		375	395	0
Total non-current assets		1,144	1,079	482
TOTAL ASSETS		67,551	68,559	64,839
Current liabilities				
Borrowings	3	4,933	17,106	6,486
Trade and other payables	4	7,097	9,121	8,200
Provisions		2,384	2,384	0
Total current liabilities		14,414	28,611	14,686
Non-current liabilities				
Borrowings	3	34,411	21,328	32,269
Trade and other payables	4	673	469	709
Provisions		29	29	7
Total non-current liabilities		35,113	21,826	32,985
Total liabilities		49,527	50,437	47,671
Equity				
Share capital		1,184	1,183	1,181
Share premium		9,354	9,339	9,250
Share option reserve		390	363	326
Own (treasury) shares		0	-1	-1
Statutory capital reserve		115	115	102
Retained earnings (prior periods)		7,131	6,347	6,772
Profit for the year		-150	775	-461
Total equity attributable to owners of the parent		18,024	18,122	17,168
Non-controlling interest		0	0	0
Total equity		18,024	18,122	17,168
TOTAL LIABILITIES AND EQUITY		67,551	68,559	64,839

Consolidated statement of comprehensive income

(in thousands of euros)	Note	2024 January-March	2023 January-March
Revenue	5	3,498	2,294
Cost of sales	7	-2,981	-2,235
Gross profit		517	59
Distribution costs	8	-275	-199
Administrative expenses	9	-298	-319
Other operating income		0	6
Other operating expenses		-4	0
Operating profit		-60	-453
Finance income		15	1
Finance costs		-105	-9
Total finance income and finance costs		-90	-8
Profit before tax		-150	-461
Income tax expense		0	0
Net profit for the year		-150	-461
Attributable to owners of the parent		-150	-461
Attributable to the non-controlling interest		0	0
Comprehensive income for the year		-150	-461
Attributable to owners of the parent		-150	-461
Attributable to the non-controlling interest		0	0
Basic profit/loss per share	11	-0.013	-0.040
Diluted profit/loss per share	11	-0.012	-0.039

Consolidated statement of cash flows

(in thousands of euros)	Note	2024 January-March	2023 January-March
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit		-60	-453
Adjustments for:			
<i>Depreciation, amortisation and impairment losses</i>		79	37
<i>Non-monetary transactions</i>		50	0
<i>Other adjustments</i>		846	473
Total adjustments		975	510
Change in receivables and prepayments	1	971	254
Change in inventories	2	-676	-5,318
Change in payables and deferred income	4	-1,186	-1,404
NET CASH USED IN OPERATING ACTIVITIES		24	-6 411
CASH FLOWS FROM INVESTING ACTIVITIES			
Paid on acquisition of property, plant & equipment and intangible assets		-148	-37
Proceeds from sale of property, plant & equipment and intangible assets		0	4
Interest received		15	0
NET CASH USED IN INVESTING ACTIVITIES		-133	-33
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans received	3	13,065	5,892
Repayments of loans received	3	-13,067	-809
Lease payments made		-30	-5
Interest paid	3	-638	-412
Government grants		59	0
Proceeds from issue of shares		1	1,051
NET CASH FROM FINANCING ACTIVITIES		-610	5,717
NET CASH FLOW		-719	-727
Cash and cash equivalents at beginning of period		3,721	3,660
Increase in cash and cash equivalents		-719	-727
Cash and cash equivalents at end of period		3,002	2,933

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	-150	-150
Issue of share capital	1	0	0	0	0	0	1
Share options	0	15	36	0	0	0	51
Sale of own shares	0	0	0	1	0	0	1
Other changes in equity	0	0	-9	0	0	9	0
As at 31 March 2024	1,184	9,354	390	0	115	6,981	18,024

Notes to the consolidated financial statements

Note 1. Prepayments

(in thousands of euros)	31 March 2024	31 December 2023	31 March 2023
Prepayments to suppliers	19	145	113
Prepayments to suppliers for inventories	10	30	123
Prepaid expenses	212	36	830
Prepaid taxes	276	109	227
Total	517	321	1,293

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 31 March 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)	31 March 2024	31 December 2023	31 March 2023
Construction completed	16,815	10,443	1,074
Both completed and under construction	14,217	20,986	7,225
Under construction	16,101	0	26,270
Building design	2,972	18,194	14,008
Development plans and other inventories	12,684	12,489	11,106
Total	62,789	62,112	59,683

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.

31 March 2024				Repayable		
Loan type (in thousands of euros)	Interest rate	Balance at 31 Mar 2024	Incl. from related parties	Within 1 year	2–5 years	Over 5 years
Bank loans, construction	4,8-4,9%+6M Euribor	7,886	0	595	7,291	0
Bank loans, construction	4,9-6,99%	1,311	0	137	1,173	0
Bank loans, development	4,9-7,95%+6M Euribor	13 301	0	0	13,301	0
Bonds	8,5-10,5%	6,400	500	600	5,800	0
Investor loans	8,0-14,0%*	10,379	7,115	3,591	6,788	0
Total		39,277	7,615	4,924	34,353	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.

31 March 2023				Repayable		
Loan type (in thousands of euros)	Interest rate	Balance at 31 Mar 2023	Incl. from related parties	Within 1 year	2-5 years	Over 5 years
Bank loans, construction	2,9-6% + 6M Euribor	3,871	0	2,211	1,660	0
Bank loans, construction	4,9-6,99%	10,557	0	0	10,557	0
Bank loans, development	4,9-6,0% + 6M Euribor	3,816	0	0	3,816	0
Bank loans, development	6,0%	6,000	0	0	6,000	0
Bonds	8%	4,400	200	2,600	1,800	0
Investor loans	8,0-14,0%*	9,977	6,565	1,660	8,317	0
Total		38,621	6,471	6,471	32,149	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 68 thousand euros as of 31 March 2024 (31 December 2023: 71 thousand euros). All loans as of 31 March 2024, 31 December 2023 and 31 March 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 2,400 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.

Note 4. Trade and other payables

(in thousands of euros)	31 March 2024	31 December 2023	31 March 2023
Trade payables	1,601	1,526	3,108
Deferred income	3,760	2,739	4,520
Other payables			
Payables to employees	142	118	112
Taxes payable	368	1,963	124
Interest payable	173	1,013	309
Miscellaneous payables	1,053	1,763	28
Total other payables	1,736	4,857	573
Total current trade and other payables	7,097	9,121	8,200
Deferred income	0	28	0
Interest payable	314	97	671
Other payables	360	345	38
Total non-current trade and other payables	673	469	709

Deferred income as of 31 March 2024, 31 December 2023 and 31 March 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)	Q1 2024	Q1 2023
Sale of real estate	3,305	2,197
Sale of furniture and furnishings	115	60
Rental income	78	37
Total revenue	3,498	2,294

In Q1 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 thousand of euros)	Q1 2024	Q1 2023
Salary expenses	372	397
Social security and unemployment insurance charges	107	115
Total	479	512
Average number of employees converted to full-time equivalent	27	23
Incl. people working under employment contracts	24	20
Incl. people working under board member's service contracts	3	3

Note 7. Cost of sales

(in thousands of euros)	Note	Q1 2024	Q1 2023
Construction, fitout and furnishing expenses		1,935	1,433
Plot acquisition and preparation costs		100	80
Staff costs	6	291	341
Financing charges		569	289
Depreciation and amortisation		19	10
Other costs		67	82
Total		2,981	2,235

Note 8. Distribution costs

(in thousands of euros)	Note	Q1 2024	Q1 2023
Media costs		129	30
Staff costs	6	70	69
Depreciation and amortisation		25	20
Other costs		51	80
Total		275	199

Note 9. Administrative expenses

(in thousands of euros)	Note	Q1 2024	Q1 2023
Staff costs	6	118	102
Training and other staff-related expenses		11	38
Business travel and transport expenses		12	26
Office expenses		21	48
Accounting and audit expenses		73	79
Legal fees and consulting expenses		9	12
Depreciation and amortisation		34	7
Other expenses		20	7
Total		298	319

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, % 31 Mar 2024	Interest, % 31 Dec 2023	Interest, % 31 Mar 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

In Q1 of 2024, the business name of the company established for the development of the building project in Germany was changed to Liven HW11 GmbH instead of the previous Liven Hermsdorf GmbH.

In Q3 of 2023, we started the process of merging Liven Kodu 11 OÜ with Liven Kodu OÜ. The merger was completed in Q1 of 2024.

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)	Q1 2024	Q1 2023
Weighted average number of ordinary shares	11,833,785	11,560,562
Share options at period-end	332,869	312,561
Weighted average number of ordinary shares including the number of dilutive potential ordinary shares	12,166,654	11,873,123

(in euros)	Q1 2024	Q1 2023
Profit/loss attributable to owners of the parent (in thousand euros)	-150	-461
Profit/loss per share	-0.013	-0.040
Diluted profit/loss per share	-0.012	-0.039



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Layout of Regati project
Photo: Rasmus Kooskora