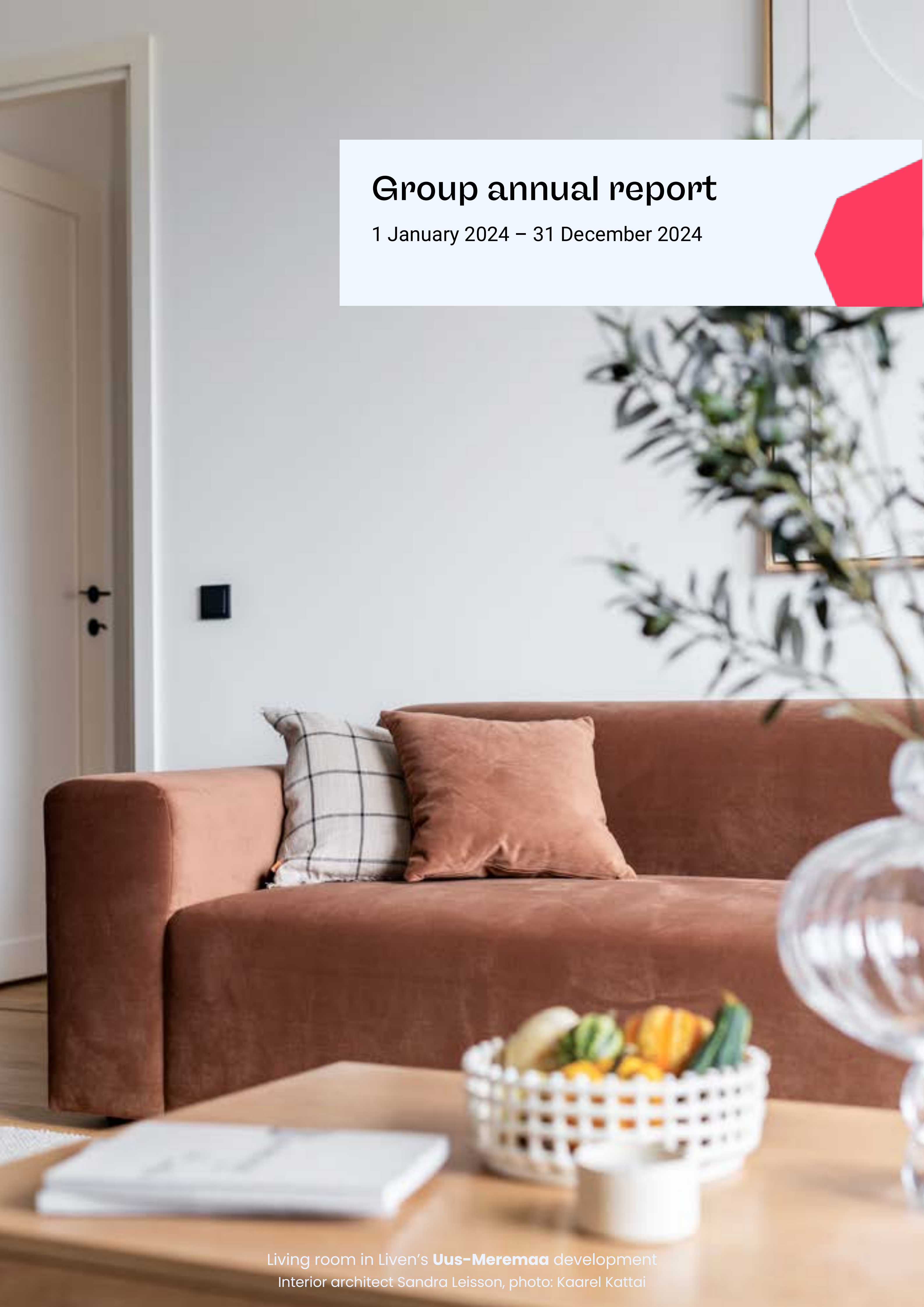
Group annual report

1 January 2024 – 31 December 2024



Living room in Liven's **Uus-Meremaa** development
Interior architect Sandra Leisson, photo: Kaarel Kattai

The group's annual report in the PDF format without the European Single Electronic Format (ESEF) markups. The original document has been submitted in the machine-readable XHTML format to the Nasdaq Tallinn Stock Exchange and digitally signed (link: https://nasdaqbaltic.com/)

LIVEN AS

GROUP

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

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Dear investors

I am pleased to address not a hundred, but thousands of investors who participated in Liven's green bond issue. With this step, Liven has become a public company and we communicate with our investors and the public through and in accordance with the rules of the stock exchange. We held our first webinar to present the 2024 results, and we plan to keep in touch in this way on a quarterly basis to ensure transparency and more direct communication. Our bond issue was 3.6 times oversubscribed and the Liven bond has since remained one of the ten most actively traded bonds on the Tallinn Stock Exchange.

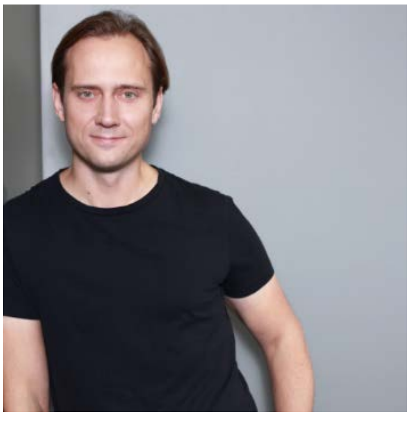
In 2024, our revenue and profit potential was determined by the sales of homes completed both earlier and during the period. We achieved 84% of our maximum possible revenue, which is quite satisfactory. As a result, we enter 2025 with a very low inventory of only 15 unsold completed homes (2024: 68). To achieve our internal profitability target of a 20% return on equity, we will need to generate revenue of around 45 million euros. In 2024, we generated revenue of 27.3 million euros.

The work done in 2024 to prepare for growth in the coming years was very successful. We started the construction of 181 new residential and commercial units (2023: 30) and signed 129 contracts under the law of obligations with a total revenue value of 39 million euros, of which 70 homes will be completed and recognised in revenue in 2025. According to the portal Citify.ee, these figures accounted for almost 10% of the total market volume in the Greater Tallinn area (Tallinn + the nearby areas), with Liven holding the largest market share. In addition, several detailed spatial plans that had been in the pipeline for a long time reached the approval stage and design specifications were issued for a centrally located property at Virmalise 3, where we plan to build two apartment buildings.

We received several public awards last year, but what we are most pleased about is the significant improvement in customer feedback. In Kantar Emor's annual survey of property companies' reputation, we have come second four times and have shared the top spot with Merko once, but in 2024 Liven was voted Estonia's most reputable developer for the first time. In addition, our Uus-Meremaa project was the only residential development among the three projects nominated for the Development Project of the Year award in Tallinn.

Liven's rapid development is closely linked to our activities in Germany and the improvements made to our Home Designer software. In Berlin, we successfully obtained all the necessary building permits and started presales at the end of 2024. We will begin construction in the first half of 2025 and are preparing to purchase additional land. We have added new features to our Home Designer software, which will enable us to implement our customers' changes and finish choices more efficiently. This year we plan to meet with other developers to gauge their interest in using our software.

Looking ahead to 2025, we are optimistic as several major projects will be completed and their presales have been very successful, providing a strong basis for achieving our profitability and revenue targets. We have used the funds raised from the bond issue to acquire a new development site at Nõmme, where construction is due to start this year. In addition, we have several multi-phase development projects, where we are ready to start the next phases. We are actively looking for new development sites in Tallinn and in Berlin. We are grateful to all our investors for their confidence and look forward to the opportunities that lie ahead.



Andero Laur

Liven AS
Chairman of the Management Board

Liven's goal is to create the coolest homes and to deliver the most personal service experience

Construction of phase I of the Regati development

Management report

Liven's business model

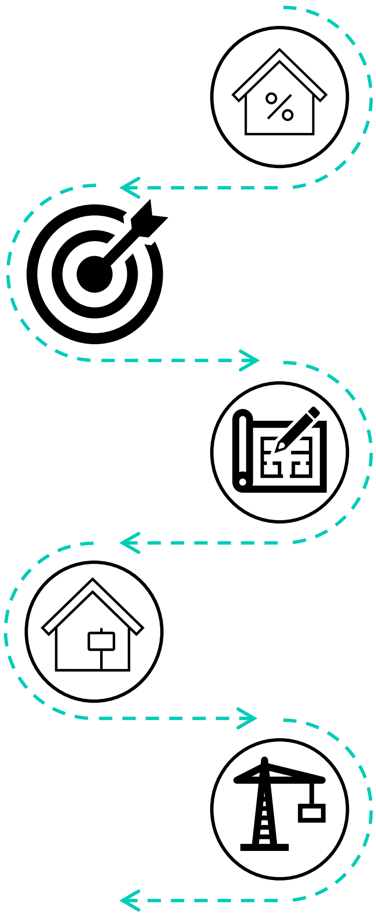
Liven AS (Liven, the parent, the company or, together with its subsidiaries, the group) focuses on residential property development and the creation of high-quality living environments. Liven is one of the leading property developers in Estonia, having created more than 800 homes since 2014.

Our activities cover all stages of the residential development value chain: acquisition of suitable land, development, concept design, marketing, sales and after-sales service. Construction management is outsourced.

At the heart of Liven's value proposition are well thought-out concepts and building plans with various interior design alternatives and the opportunity to participate in the design of the new home. We regularly measure customer satisfaction and take their feedback into account when developing our business and rewarding our employees.

Given our value proposition, we believe that in order to develop profitably and cost-effectively, we need to operate in advanced economic and financing environments and in growing cities with a critical mass of population. Because of the amount of work that goes into a development project, we need to be able to build more than 25 homes on each property we acquire. This means that we do not develop single-family homes. The focus on housing means that when we acquire a development site, we make sure that the proportion of commercial space does not exceed 25%.

Liven manages its value proposition and risks at all stages of the development process, but the most important things are done at the beginning: the purchase of land requires the existence of a comprehensive spatial plan that supports the proposed development project, a detailed risk assessment and competitive advantages. The planned return on equity of the investment must exceed 20%.



We generally start construction when presales (contracts signed under the law of obligations) have reached 50%, which helps us keep investment risk low and ensures that customers are genuinely interested in what we have to offer. However, depending on the circumstances, a lower presales rate may be justified.

Liven's development portfolio is mainly concentrated in Tallinn and the surrounding areas, but in order to diversify risks and expand growth opportunities, we intend to gradually increase the proportion of properties located in Berlin, Germany. At the end of 2024, our development portfolio comprised 11 projects with over 1,400 homes in various stages of development and an estimated sales volume of over 371 million euros. The projects in the current development portfolio will take four to five years to complete, but the volumes are not yet sufficient to achieve the desired annual financial results.

Due to the length of the development cycle and the capital-intensive nature of land acquisition and construction, our business model is characterised by a high level of debt. The long-term strategic target is to achieve an equity ratio, adjusted for construction loans, of 40%. However, in the case of good investment opportunities and collateral, a lower ratio may be economically justified.

Key facts for 2024

€27.3 million
Revenue

€0.6 million
Net profit

3.1%
Return on equity

27.9%
Adjusted equity ratio

No. 1
Real estate developer in Estonia
by reputation

9.2/10
Customer feedback score

1,407
Homes: size of development portfolio
portfolio
(by contracts signed under the law of obligations)

~€371 million
Estimated revenue from development

Development projects added to the portfolio:

72 homes
Kalda 5, Tallinn

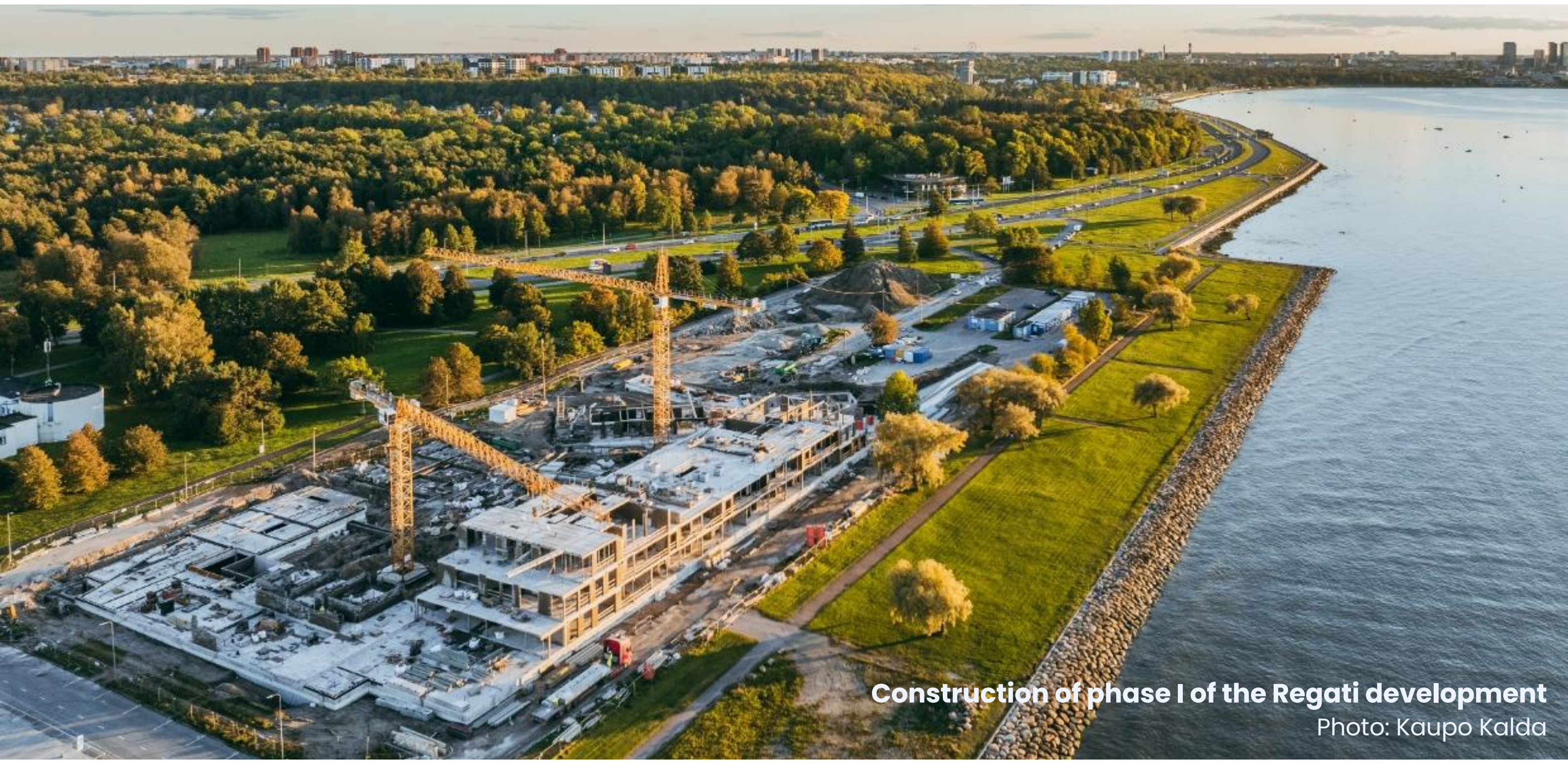
6,761 m²
Saleable area

Overview of 2024

Events and developments during the year

The year 2024 was marked by an improving but still challenging economic climate. In addition to celebrating Liven's 10th anniversary, moving to a new showroom/office and opening a showroom/office in Berlin, other highlights of the year included:

- Starting the construction of over 180 new units in the Regati and Iseära projects;
- Completing the first 5 terraced houses and 30 homes in phase II of the Iseära development project;
- Completing the entire infrastructure for the Iseära project;
- Selling nearly 80% of the previously completed homes in the Uus-Meremaa, Magdaleena & Luuslangi projects;
- Raising 6.2 million euros by issuing green bonds on Nasdaq Tallinn;
- Acquiring a new development site with building rights for 72 homes in Nõmme;
- Receiving building design specifications for Virmalise 3;
- Approval of the detailed spatial plans for Kadaka tee 88 and Juhkentali 48;
- Long-term financing of a commercial space leased out at Türi 4;
- Starting presale of phase II of the Luuslangi project in Tallinn and the Wohngarten project in Berlin;
- Signing the highest number of new sales contracts in Liven's history and achieving the largest market share in Tallinn and the surrounding area.
- Becoming the most reputable property developer in Tallinn and the surrounding area according to the Kantar Emor survey.



Construction of phase I of the Regati development
Photo: Kaupo Kalda

External factors with the strongest impact on the real estate market

Against a backdrop of fierce competition, low consumer confidence and falling interest rates, the situation in the Estonian real estate market remained challenging in 2024.

During the year, the 6-month Euribor (Euribor) declined from 3.86% at the beginning of 2024 to 2.568% at the end of 2024 (31 December 2023: 3.9%). As inflation in the euro area slowed in line with expectations, the Governing Council of the European Central Bank decided to cut key interest rates by 25 basis points at its four meetings in 2024. In Estonia, however, the stabilisation of consumer prices was significantly affected by the tax reforms that came into force at the beginning of 2024 (1.4% monthly impact in January 2024), increasing the consumer price index by 3.5% over the year. According to the latest data from Statistics Estonia, GDP at constant prices contracted by 0.7%, falling for the third consecutive year (2023: 3.1%).

The components of construction prices developed differently in 2024. At the beginning of the year the construction market was affected by subdued demand and aggressive competition. As a result, construction prices in the first half of the year were around 5% lower than in the previous year. Construction prices remained stable in the second half of the year, but there were signs of an upturn towards the end of the year. According to Statistics Estonia's construction price index, average construction prices remained relatively stable in 2024, increasing by only 1.6%.

According to the latest available data, the average gross wages and salaries increased by 8.3% in 2024, indicating a continued improvement in the purchasing power of wages and salaries. Nevertheless, consumer confidence, which had been low for a long time, remained weak in 2024. Consumers expect durable goods to become more affordable in the next 12 months and are therefore postponing their purchases. Based on the latest data from the Estonian Institute of Economic Research, the consumer confidence indicator at the end of 2024 was at its lowest level in recent years (2024 average: -33; 2023 average: -30). At the beginning of the year, confidence was mainly undermined by the prevailing economic uncertainty and an increase in tax rates. The employment rate decreased during the year, including in industry and construction, but according to the latest statistics, the changes were not too significant.

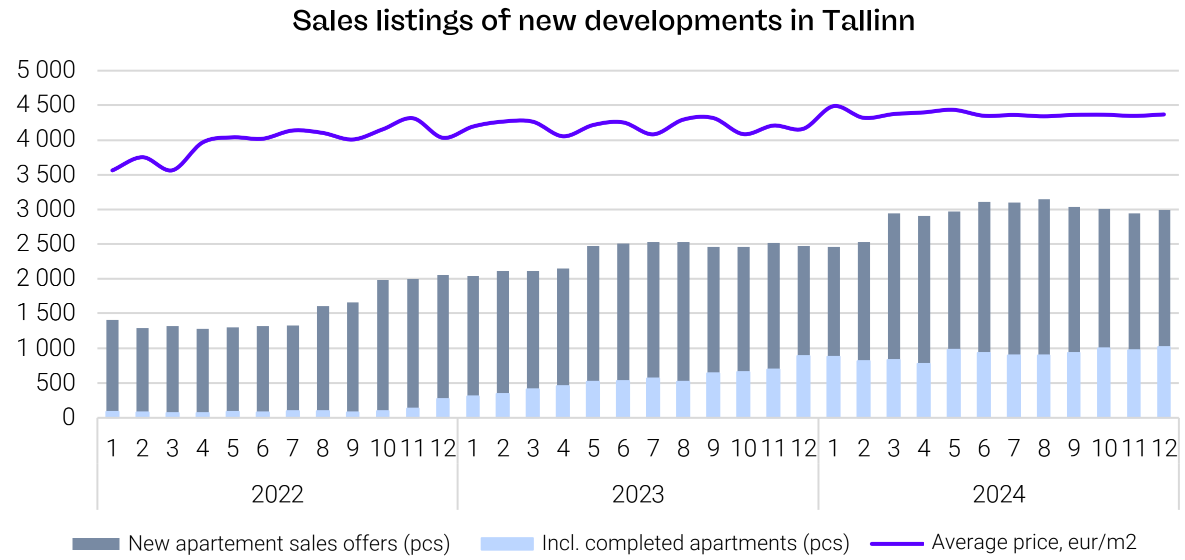
	2024*	2023	2022	2021	2020
Annual change in GDP at constant prices	-0.7%	-3.1%	-0.5%	7.4%	-0.7%
Change in average monthly wages and salaries (gross)	8.3%	11.4%	11.6%	6.9%	2.9%
Unemployment rate	7.4%	6.4%	5.6%	6.2%	6.8%
Construction price index	1.6%	6.1%	17.8%	8.1%	0.4%

** The latest data available at the time of reporting*

Source: Statistics Estonia

Tallinn real estate market

In 2024, the number of transactions continued to decline slightly due to the weak external environment. According to the Land and Spatial Development Board, there were 8,255 transactions involving residential apartments in Tallinn during the year (2023: 8,537), a decrease of 3% compared to the previous year (2023: a decrease of 12%). In the second half of the year, however, the decline slowed and the number of transactions increased. The annual statistics also include apartments in new developments sold in earlier periods but completed and delivered in the reporting period.



Source: Market information about the supply and prices in new developments in Tallinn, from various sources monitored by the group

Based on various sources of market information, the group's management estimates that the number of apartments sold in new developments located in Tallinn increased to approximately 1,800 in 2024 (2023: 1,200). Sales volumes showed signs of recovery to earlier levels, with an increase of 33% compared to 2023, largely driven by the steady decline in Euribor.

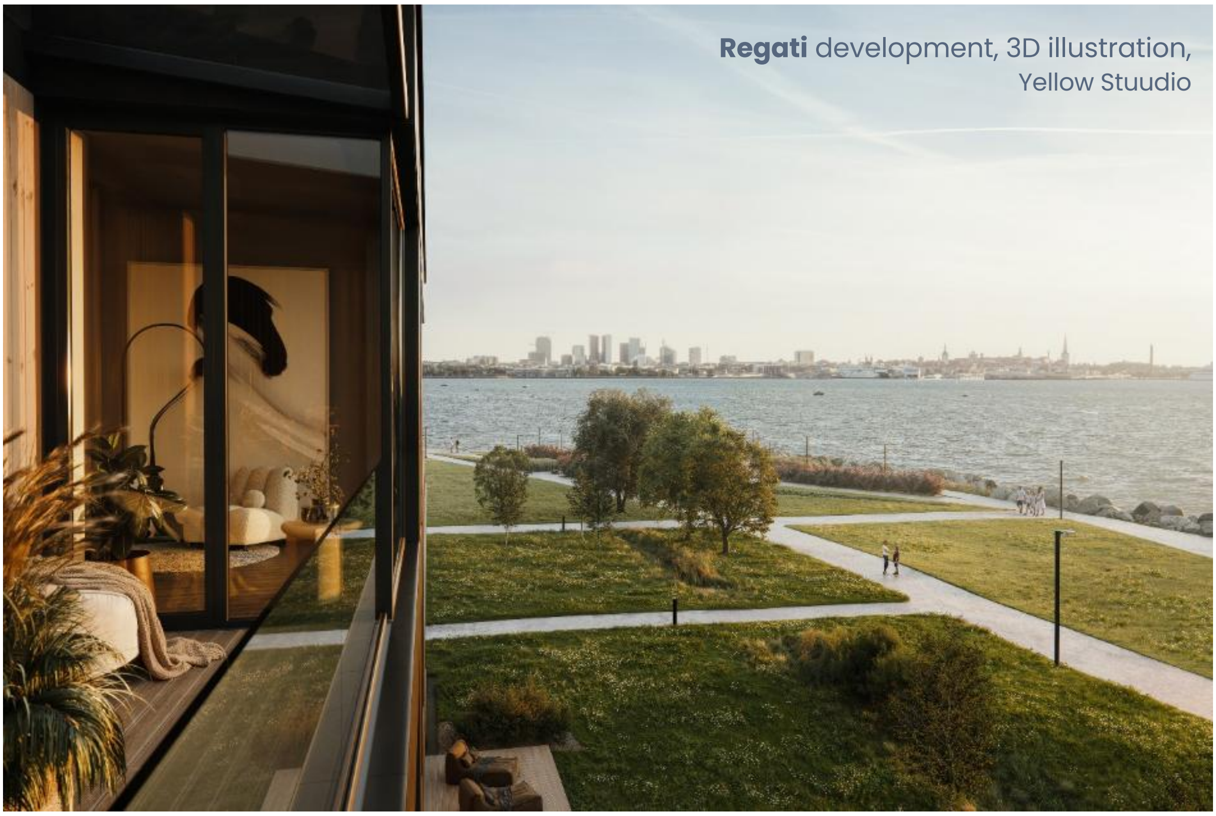
The lower cost of capital resulting from the decline in interest rates and market participants' expectations of a further decline in interest rates had a favourable effect on financing conditions during the year. Both banks and other investors became more interested in financing various projects.

The number of apartments for sale in new developments increased mainly in the first half of 2024. In the second half of the year, the increase came to a halt and the number of apartments for sale remained around 15% higher than a year earlier. At the end of the year, there were around 3,000 apartments for sale (31 December 2023: 2,500). By the end of the year, the share of completed apartments in total supply had increased to one third. The number of new developments coming onto the market was similar to 2023.

Offer prices for new developments remained relatively stable in 2024, increasing on average by 3.9% compared to 2023. According to the Land and Spatial Development Board, the average sales price of apartments in Tallinn decreased to 2,992 €/m2 in 2024 (2023: 3,068 €/m2), down 2.5% year-on-year. The decline in transaction prices was particularly pronounced in Pirita, where prices fell by 6.8%. There have been no significant price changes in the market over the past 1.5–2 years.

However, due to relatively weak demand and fierce competition, sales prices of new developments remained under pressure. With the exception of the higher-end apartments, additional discounts were necessary for transactions to take place, especially in highly competitive areas such as Haabersti.

Activity in the sale of development properties (land) started to pick up in the spring. The number of sales offers increased and offer prices decreased, with some prices more than 10% lower than in previous years. Given the longer sales periods and lower sales prices compared to previous years, the interest in buying land has also decreased along with the offer prices.


Regati development, 3D illustration, Yellow Stuudio

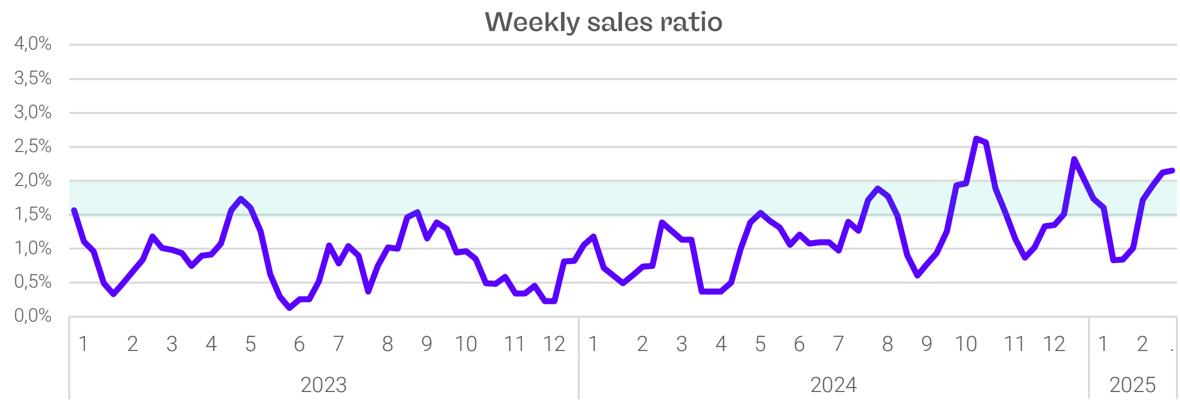
Financial results for 2024

New sales contracts and revenue

The key indicator of sales is the conclusion of contracts under the law of obligations with new customers, which is also accompanied by the first payment by the buyer. Another relevant indicator in the early stages of presale is the number of paid reservation contracts. Compared with previous years, Liven offered a significant number of previously completed homes in addition to the homes under construction in 2024.

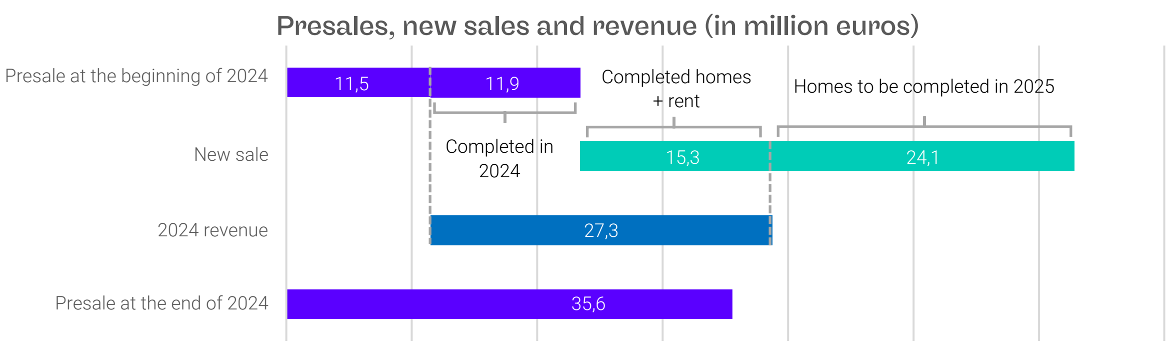
As in previous years, the average number of homes for sale was approximately 180 in 2024. We concluded 129 new contracts under the law of obligations during the year, the highest number in Liven's history (2023: 69 contracts). The monetary value of the new contracts, 51.1 million euros including VAT, is also the largest in the company's history and 61% higher than the 31.8 million euros achieved in 2023.

A good indicator of sales is the weekly sales ratio, i.e. the ratio of the average number of contracts under the law of obligations or paid reservation contracts signed each week over a four-week period to the total number of homes for sale. A long-term normal level for the ratio would be 1.5–2.0%, at which it would take 1–1.5 years to sell all homes for sale. Due to external factors, i.e. high and rising interest rates and low consumer confidence, the ratio was rather low for several years, but started to show signs of recovery in 2024, repeatedly reaching or even exceeding the long-term normal level in the second half of the year.



Contracts under the law of obligations or paid reservation agreements signed per week / homes for sale (four-week rolling average); Source: Liven

Homes sold during the year under contracts under the law of obligations that are not delivered under real right contracts during the same year are treated as presales. At 31 December 2023, the estimated monetary value of presales was 23.4 million euros, of which 11.9 million euros was the monetary value of homes in buildings to be completed in 2024. During the year, the revenue value of new contracts concluded in respect of homes in projects completed in previous periods and the reporting period amounted to 39.1 million euros. Presales accounted for 24.1 million euros of the total new sales. Including the earlier presales, we have entered 2025 with 86 contracts under the law of obligations for homes in buildings to be completed during the year, with a revenue value of 35.6 million euros.



We recognise revenue from the sale of real estate after the signing of the real right contract and the transfer of ownership to the buyer. In 2024, we signed only 92 real right contracts (2023: 148 contracts). At the beginning of the year, homes were delivered in two buildings completed in Lahepea street in phase II of the Uus-Meremaa development project in late 2023, in five buildings completed in Jalami street in phase I of the Luuslangi project, and in the reconstructed building in Magdaleena street. In the summer, homes were completed in the first five terraced houses in phase II of the Iseära development.

As a result of the lower number of homes completed and delivered, revenue for 2024 was 27.3 million euros, 23.7% lower than the 35.8 million euros generated in 2023.

Development projects completed and available for sale in 2024 and in earlier periods:

				31 December 2024 Proportion of apartments sold*	
Subsidiary	**Project, phase**	**Location**	**Area and number of units**	**Contracts under the law of obligations (number/%)**[1]	**Real right contracts (number/%)**[1]
Liven Kodu 5 OÜ	Uus-Meremaa, phase II	Lahepea street, Tallinn	5,108 m^2, 58 homes and 2 commercial spaces	57 / 92%	57 / 92%
Liven Kodu 12 OÜ	Luusalangi, phase I	Jalami street, Tallinn	5,060 m^2, 80 homes	71 / 87%	71 / 87%
Liven Kodu 16 OÜ	Iseära, phase II-A	Harkujärve	3,539 m^2, 30 homes	27 / 89%	27 / 89%
Liven Kodu 19 OÜ	Magdaleena, phase II	Magdaleena 4, Tallinn	822 m^2, 11 homes	9 / 76%	9 / 76%

Development projects completed and available for sale in 2023 and in earlier periods:

				31 December 2023 Proportion of apartments sold*	
Subsidiary	**Project, phase**	**Location**	**Area and number of units**	**Contracts under the law of obligations (number/%)**[1]	**Real right contracts (number/%)**[1]
Liven Kodu 5 OÜ	Uus-Meremaa, phase I	Lahepea street, Tallinn	9,101 m^2, 126 homes and 5 commercial spaces	131 / 100%	131 / 100%
Liven Kodu 5 OÜ	Uus-Meremaa, phase II	Lahepea street, Tallinn	5,108 m^2, 58 homes and 2 commercial spaces	35 / 52%	30 / 42%
Liven Kodu 6 OÜ	Magdaleena, phase I	Asula põik 4, Tallinn	1,576 m^2, 20 homes	20 / 100%	20 / 100%
Liven Kodu 12 OÜ	Luuslangi, phase I	Jalami street, Tallinn	5,060 m^2, 80 homes	44 / 52%	38 / 44%
Liven Kodu 15 OÜ	Väike-Tallinn	Türi 4, Tallinn	5,453 m^2, 80 homes and 1 commercial space	80 / 91%	80 / 91%
Liven Kodu 16 OÜ	Iseära, phase I	Harkujärve	5,935 m^2, 48 homes	48 / 100%	48 / 100%
Liven Kodu 19 OÜ	Magdaleena, phase II	Magdaleena 4, Tallinn	822 m^2, 11 homes	5 / 39%	4 / 33%

Profit and financial position

Based on the portfolio of developments completed and under construction, it was possible to deliver up to 110 residential and commercial units in 2024, with estimated revenue potential of around 30 million euros. In terms of profit, we considered it possible to earn an amount between the 2022 and 2023 results (net profit in 2023: 0.8 million euros, in 2022: 3.3 million euros).

As the number of homes delivered was lower than in 2022 and 2023, the group's net profit for 2024 was a modest 0.6 million euros (2023: 0.8 million euros; 2022: 3.3 million euros). The result was also negatively impacted by a combination of factors, including a decrease in the expected profitability of previously completed projects, increased costs to support future growth (including marketing expenses and expenses related to expansion to Berlin), a lower share of capitalised costs due to unsold completed homes in several developments, and general cost inflation.

[1] *Contracts concluded in the project by the date, percentage based on the proportion of square meters*

The net profit for 2024 includes a gain of 0.3 million euros on the change in the fair value of a commercial property in Türi street. Due to the modest profit, the return on equity was only 3.1% in 2024 (2023: 4.6%). The long-term target for return on equity is 20%. However, we estimated a year earlier that this target would not be achievable in 2024.

Active construction and development operations increased assets by 14.1%, i.e. by 9.7 million euros to 78.3 million euros. The increase in assets was mainly due to the construction-related increase in the inventories of the Iseära and Regati projects and an increase in cash balance.

At 31 December 2024, the balance of cash and cash equivalents was 5.9 million euros (31 December 2023: 3.7 million euros). Equity amounted to 18.2 million euros at the end of 2024 (2023: 18.1 million euros) and borrowings increased to 47.3 million euros (2023: 38.4 million euros).

During the year, borrowings increased by 8.8 million euros. We received bank loans of 23.4 million euros to finance the construction of projects and, after the delivery of homes, we repaid 20.3 million euros of earlier construction loans. The most significant change in borrowings was related to the issue of green bonds of 6.2 million euros. During the year, we also financed a commercial space in the Väike-Tallinn project with a long-term bank loan (1.0 million euros) and refinanced the development loans and an infrastructure loan of the Iseära development project (additional infrastructure construction financing of 0.8 million euros). As a result of the refinancing of the development and investor loans of the Regati project, borrowings increased by 2.3 million euros. We repaid 3.2 million euros of investor loans taken for the Uus-Meremaa project and, following a redemption, the balance of bonds in the Kadaka tee 88 project decreased by 0.6 million euros. The equity ratio adjusted for construction loans was 27.9% at 31 December 2024 (31 December 2023: 32.0%), which is still below the long-term target of maintaining an equity ratio of 40% of total assets.

Customer feedback and brand recognition

Collecting feedback from home buyers on all projects to improve and manage quality is a key part of Liven's business model. This is done in four stages: after signing the contract under the law of obligations, after the arrival of the deadline for modification works, after the delivery of the home after signing the real right contract and after the completion of warranty work. We regularly update our feedback system to get quick and comprehensive input for our work. Customer satisfaction is measured on a 10-point scale.

In 2024, our customer feedback rating was 9.2, significantly higher than the year before (2023: 8.0). The lower score in 2023 was mainly due to delays in the completion of construction and the delivery of homes. Improving customer satisfaction was one of our key priorities in 2024.

According to Kantar Emor's annual survey of real estate brand awareness and reputation, conducted in 2024, Liven was ranked the most reputable real estate developer for the first time. Liven is recognised for having the most attractive developments on the market and is described as a stylish trendsetter with modern architectural solutions.

Customers rate us:

9.2 / 10

The most reputable real estate developers in Estonia:

1. Liven
2. Merko
3. YIT Eesti

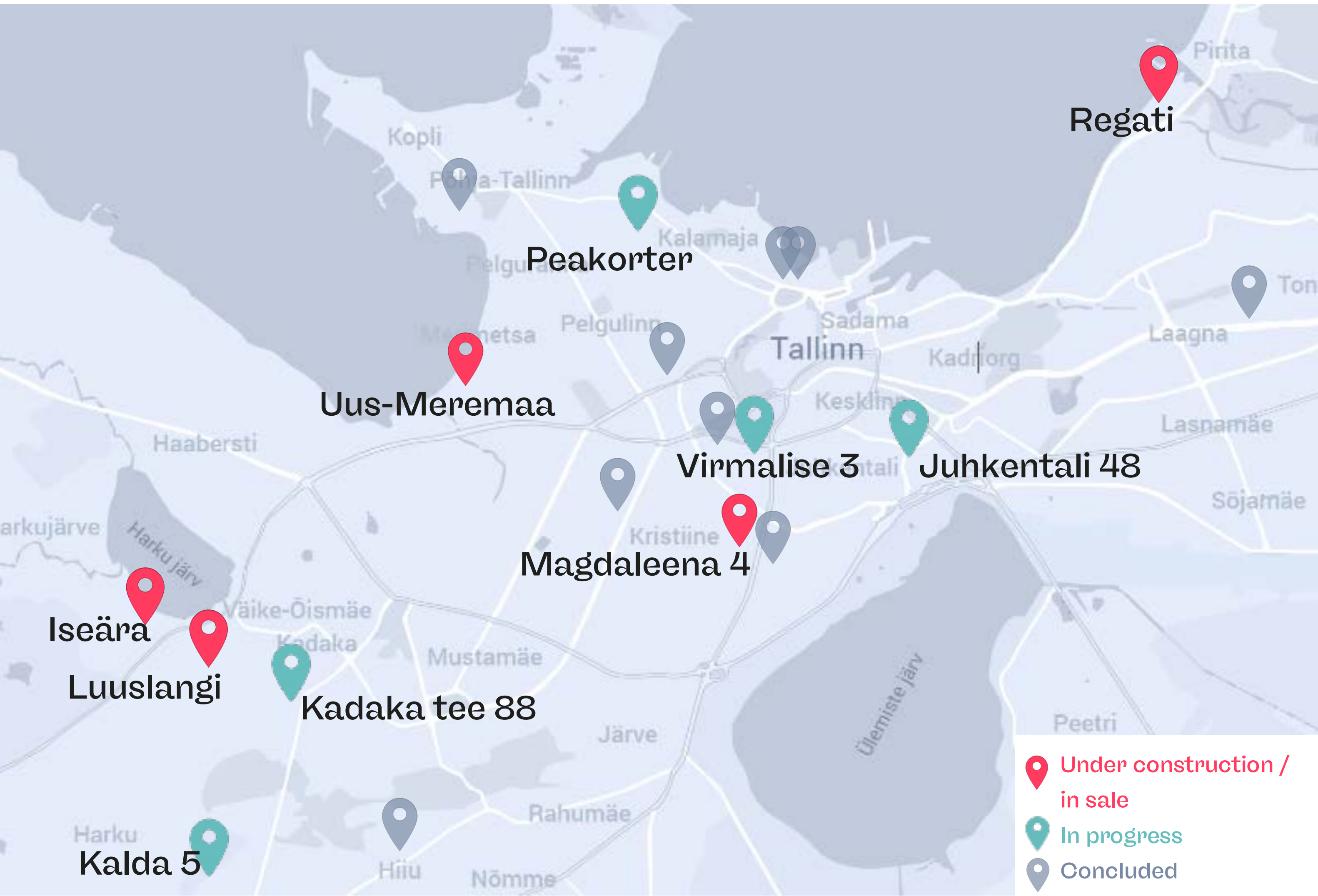
Wohngarten development, 3D illustration, Yellow Stuudio

Key performance indicators and ratios

(in thousands of euros)	2024	2023	2022	2021	2020
Contracts under the law of obligations (number)	129	69	106	125	127
Real right contracts (number)	92	148	186	35	54
Customer feedback score 12M (10 point scale)	9.2	8.0	8.9	9.0	9.2
Size of development portfolio at end of year (for sale, number of contracts under the law of obligations)	1,407	1,496	1,557	1,719	1,575
Revenue	**27,266**	**35,765**	**32,618**	**6,278**	**9,000**
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	6,701	3,788	7,618	1,353	2,165
EBITDA margin, %*	24.6%	10.6%	23.4%	21.5%	24.1%
Operating profit	1,287	867	3,324	656	1,436
Operating margin, %*	4.7%	2.4%	10.2%	10.4%	16.0%
Net profit	**558**	**775**	**3,324**	**638**	**1,439**
Attributable to owners of the parent	*558*	*775*	*3,324*	*647*	*1,333*
Attributable to non-controlling interest	*0*	*0*	*0*	*-9*	*106*
Net margin, %*	2.0%	2.2%	10.2%	10.3%	14.8%
Weighted average number of shares (in thousands)	11,899	11,753	11,515	10,888	10,178
Earnings per share (in euros)	0.047	0.066	0.289	0.059	0.141
Attributable to owners of the parent (in euros)	*0.047*	*0.066*	*0.289*	*0.059*	*0.131*
Assets at end of period	78,298	68,559	60,279	50,257	18,437
Equity at end of period	18,237	18,122	16,526	12,881	6,923
Attributable to owners of the parent	*18,237*	*18,122*	*16,526*	*12,807*	*6,840*
Equity ratio, %*	23.3%	26.4%	27.4%	25.5%	37.1%
Equity ratio (excluding construction loans)**, %***	**27.9%**	**32.0%**	**32.6%**	**28.3%**	**37.1%**
Return on equity (ROE), %*	**3.1%**	**4.6%**	**22.4%**	**6.6%**	**21.8%**
Return on capital employed (ROCE), %*	13.6%	8.6%	22.3%	5.9%	17.9%
Return on assets (ROA), %*	1.8%	1.3%	5.8%	1.9%	8.7%
Current ratio (times)*	4.25	2.36	3.87	2.55	4.70
Quick ratio (times)*	0.43	0.19	0.37	0.26	0.75
Average number of employees	31	27	24	16	9

* The formulas and input data used in the calculations are provided in the chapter Alternative performance measures, see page 76.

Development portfolio and development activities in 2024



Liven had 11 development projects in different stages of development at 31 December 2024 (31 December 2023: 10).

The development portfolio comprised properties located in and around Tallinn and in Berlin with a total saleable above-ground area of 113,882 m^2 at 31 December 2024 (31 December 2023: 115,433 m^2), which will allow creating 1,407 homes (31 December 2023: 1,426) and 9,714 m^2 of commercial space (31 December 2023: 9,769 m^2). Liven's business model focuses on the creation of homes and commercial premises that support the living environment, which is why the share of commercial premises is low: 8.5% at 31 December 2024 (31 December 2023: 8.5%).

The total amortised cost of the properties in the group's development portfolio, which are recognised as inventories, is 30.6 million euros (31 December 2023: 29.0 million euros). The group has not reclassified these assets to investment properties or measured them at fair value (with the exception of a commercial space of 493 m^2 in Türi street in Tallinn). The development and construction costs of the properties are also capitalised and included in inventories. Consolidated assets at 31 December 2024 were 78.3 million euros (31 December 2023: 68.6 million euros), of which inventories accounted for 67.9 million euros, i.e. 86.7% (2023: 62.1 million euros, i.e. 90.6%).

				Breakdown of saleable units		Forecast construction period (years, quarters)																								
Project	Project stage	Year of acquisition	Total saleable area (m^2)	Homes (number)	Commercial spaces (m^2)	2024				2025				2026				2027				2028				2029				Forecast revenue (€m)
						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[1]	Investment property	2019	493	0	493																									1.4
Uus-Meremaa	Completed	2017	402	2	199																									1.1
Magdaleena	Completed	2018	195	2	0																									0.8
Iseära	Completed, under constr.	2019	29,718	309	675																									77.7
Luuslangi	Completed, under constr. [2]	2018	9,727	153	200																									29.1
Regati	Under construction	2021	20,669	220	1,670																									93.2
Wohngarten	Building design	2023	1,118	25	0																									10.0
Kalda 5	Building design	2024	6,761	72	0																									20.1
Virmalise 3	Building design	2022	2,110	28	0																									9.4
Kadaka tee 88	Detailed spatial plan	2017	25,831	396	2,000																									72.3
Juhkentali 48	Detailed spatial plan	2020	7,986	63	4,033																									23.8
Peakorter	Detailed spatial plan	2020	8,872	137	444																									32.3
Total			**113,882**	**1,407**	**9,714**																									**371.2**

The forecast total saleable area, breakdown of saleable units, construction period and revenue presented in the table are based on Liven's current best estimates and may change, particularly in the case of projects or project phases where the necessary proceedings have not been completed or construction has not yet started. The table includes data on units not yet sold under real right contracts as at 31 December 2024.

[1] *The commercial space in the Väike-Tallinn project, which has been leased out and is financed on a long-term basis is classified as an investment property and the forecast revenue reflects the market value.*

[2] *The Luuslangi project is categorised as 'completed, under construction', because the construction of buildings in phase I has been completed but the construction of the next phases has not yet started.*

Projects completed earlier and in the reporting period

The construction of the last 35 homes in phase I of the Luuslangi project was completed at the beginning of 2024 and the construction of the first five terraced houses in phase II of the Iseära project and the limestone building in the Magdaleena project was completed during the year.

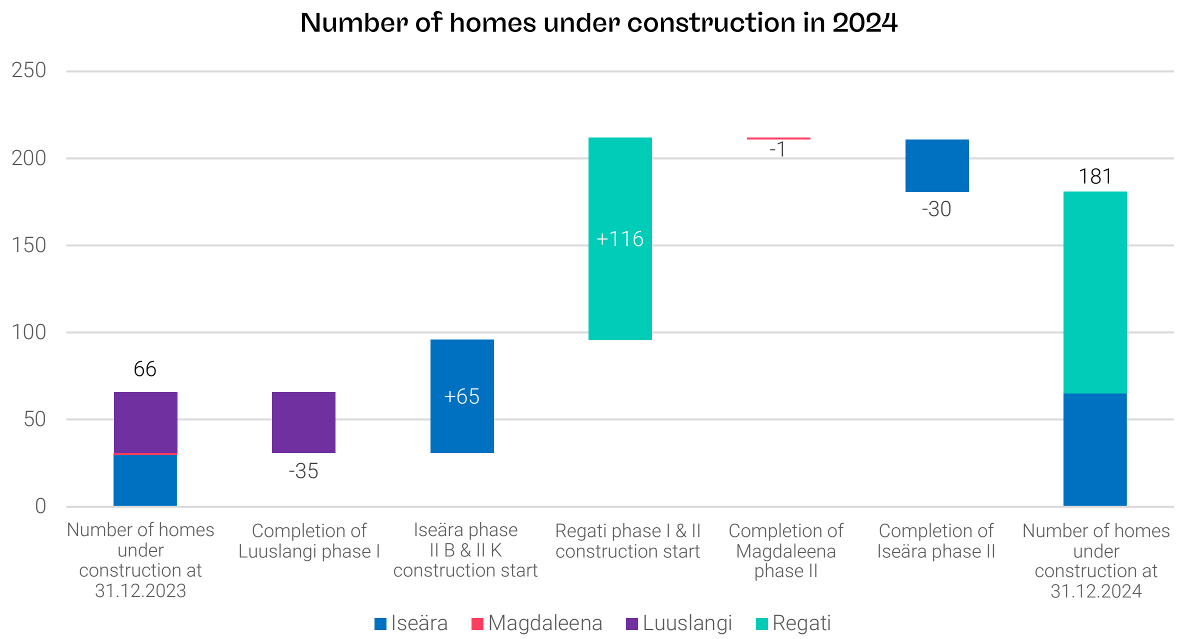
At 31 December 2024, there were residential and commercial units still for sale in phase II of the Uus-Meremaa project (3), phase I of the Luuslangi project (9), phase II of the Magdaleena project (2) and in the first five terraced houses of phase II of the Iseära project (3). The figures include units completed at the end of 2023 and in 2024.

In the Uus-Meremaa and Magdaleena projects, the units for sale are the last ones. The development of the Luuslangi and Iseära projects will continue with next phases.

The commercial unit in the Väike-Tallinn project, completed in 2022, has been leased out for the provision of accommodation services and was therefore reclassified to investment property in 2024.

Projects for sale and under construction

In 2024, we started the construction of the Regati project (112 homes and 4 commercial units) and the apartment buildings (36 homes) and last five terraced houses (29 homes) of phase II of the Iseära project. As at the end of 2024, 181 residential and commercial units were under construction. All buildings under construction at the year-end are scheduled for completion in 2025.



Purchase of new properties

In the second half of 2024, we acquired a property at Kalda 5 / Käokõrva 1-12 in the Nõmme district in Tallinn. The total value of the transaction was 2.5 million euros and the property was acquired using the funds raised through the green bond issue in spring 2024. According to the detailed spatial plan and the issued building permit, it is possible to build on the property 12 three-storey residential buildings with a total of 72 apartments and a total saleable area of approximately 6,700 m^2.

The development is planned to provide 3–5 bedroom homes for families that value garden city living. The buildings will be surrounded by a large courtyard with a playground and a volleyball court, and the buildings will be laid out in a checkerboard pattern facing in different directions. We plan to sell and build the development in phases, with sales starting in the first half of 2025.

Projects where construction has been completed

Project:	**Magdaleena**
	Liven Kodu 6 OÜ and Liven Kodu 19 OÜ
Location	Asula põik 4, Magdaleena 4, Tallinn
Stage:	Completed
Architect:	Eek & Mutso
Number of homes:	31 apartments
Saleable area (m^2):	2,396
Energy efficiency class:	B
Website:	magdaleena.liven.ee
Start of construction:	Q4 2021
Completion of construction:	Q2 2024

The sale of homes in the reconstructed building at Magdaleena 4 in Kitseküla, completed at the end of the previous year, took place in 2024 and the last building (one home) in the project, made of limestone, was completed in the summer.

At the end of 2024, the last home in the Magdaleena project's reconstructed timber building and the home in the project's limestone building were still for sale.

In July 2023, we filed a lawsuit with the Harju County Court against Reparo Ehitus OÜ for the damage caused by the general contractor's failure to fulfil its contractual obligations in the construction of phase I of the Magdaleena development project. There were no significant developments in the litigation during the year and up to the date of completion of this report.

Project:	**Uus-Meremaa**
	Liven Kodu 5 OÜ
Location:	Lahepea 11, 13, 15, 17 and 19, Tallinn
Stage:	Completed
Architect:	PIN Arhitektid
Number of homes:	183 apartments
Saleable area (m^2):	14,209
Energy efficiency class:	A
Website:	uusmeremaa.liven.ee
Start of construction:	Q1 2021
Completion of construction:	Q4 2023

Five apartment buildings with 183 homes and 8 commercial spaces were built in the Uus-Meremaa project in Lahepea street.

The construction of the first three apartment buildings with 125 homes and 6 commercial spaces was completed in 2022.

The construction of the last two apartment buildings of the project with a total of 58 homes and 2 commercial spaces was completed at the end of 2023.

At the end of 2024, the last 2 homes and 1 commercial space were still for sale.

Projects for sale and under construction

Project:	**Luuslangi** **Liven Kodu 12 OÜ**
Location:	Jalami, Astangu, Tallinn
Stage:	phase I ready; phase II presale
Architect:	Kadarik Tüür Arhitektid
Number of homes:	224 apartments
Saleable area (m^2):	14,163
Energy efficiency class:	A
Website:	luuslangi.liven.ee
Start of construction:	Q3 2022
Scheduled completion of construction:	Q4 2027

The Luuslangi project in Astangu will be completed in phases, comprising a total of 13 apartment buildings with 224 homes. By the end of 2024, 32% of the homes in the project had been delivered to their new owners.

End of phase I
During the year, we continued to sell homes in the five apartment buildings completed in phase I at the end of 2023 and the beginning of 2024 (80 homes in total). At the end of 2024, the last 9 homes were still for sale.

Start of phase II
Presales of the first building in phase II and the conclusion of paid reservation contracts began in the autumn. We plan to build four apartment buildings with 78 homes in phase II. The construction of the phase is due to begin in 2025 and to be completed in 2026.

Phase III
The start of the sale and construction of the planned four apartment buildings and 80 homes will depend on the pace of sales of the previous phase. According to current best estimates, the construction of this phase will be completed by the end of 2027.

Project:	**Iseära** **Liven Kodu 16 OÜ**
Location:	Harkujärve village, Harku
Stage:	Completed and under construction
Architect:	ARS Projekt
Number of homes:	233 terraced units, 151 apartments
Saleable area (m^2):	38,836
Energy efficiency class:	A
Website:	iseara.liven.ee
Start of construction:	Q1 2022
Scheduled completion of construction:	Q2 2030

39 terraced houses and 13 apartment buildings with more than 380 homes in total will be completed in phases in Harkujärve village in Harku rural municipality. At the end of 2024, 20% of the homes had been delivered to the new owners.

Construction of phase II
In 2024, 30 homes in the first five terraced houses in phase II of the Iseära project were completed and we started the construction of 36 homes in three apartment buildings and 29 homes in the last five terraced houses in phase II. The homes will be completed in 2025.

Construction of phase III
In 2025, we plan to start the sale of 36 homes in the apartment buildings and 24 homes in the next terraced houses of phase III.

Launch of the construction of the next phases
The start of the presales and construction of the next phases will depend on the pace of sales of the earlier phases. We plan to start the construction of phase III in 2025.

Project:	**Regati** **Liven Kodu 20 OÜ**
Location:	Regati pst 3, 5
Stage:	Construction of phase I
Architect:	Salto Arhitektid
Number of homes:	220 apartments
Saleable area (m^2):	20,669
Energy efficiency class:	A; LEED Platinum
Website:	regati.liven.ee
Start of construction:	Q1 2024
Scheduled completion of construction:	Q2 2027

The Regati project in Pirita will have seven apartment buildings with 220 homes and 5 commercial spaces built in two phases. According to plan, the construction of phase I including four apartment buildings with 112 homes and 4 commercial spaces will be completed in the second half of 2025.

In phase I, the construction of 51% of the project's saleable area will be completed. The start of the presales and construction of phase II will depend on the pace of sales of phase I.

Project:	**Wohngarten** **Liven HW11 GmbH**
Location	Berlin, Germany
Stage:	Building design
Architect:	ALT studio
Number of homes:	~25 apartments
Saleable area (m^2):	1,118
Energy efficiency class:	KfW 40
Website:	iseara.liven.ee
Start of construction:	Q2 2025
Scheduled completion of construction:	Q2 2026

In the summer of 2023, we acquired a plot of land at Hüttenroder Weg 11 in Neukölln, Berlin, where we plan to build a six-storey residential building with around 25 apartments to replace the existing building.

At the end of the year, we started presales for the project. We expect to achieve sufficient presales to start the construction in the summer of 2025.

Projects awaiting presale

At the end of the year, an architectural competition was held for a new project in the Nõmme district, which was won by the architects of LUMIA with their site sensitive, natural and contemporary yet unobtrusive design. The winning solution is well suited for families with young children and has a garden city feel. The project is called **Olemuse** because of its free, seemingly random arrangement of buildings and its free-form organisation in dialogue with the organic network of wooded walkways.

At the end of the year, we were issued design specifications for a 30-apartment residential building on a property at **Virmalise 3** in Uus Maailm, after which we began preparations for applying for a building permit.

We plan to start presales for both projects in spring 2025 and, if the presales volume is sufficient, to start construction in the second half of the year.

Projects in the stage of detailed spatial planning or building design specification

Detailed spatial planning or building design specification proceedings continued for several projects awaiting the building permit. Progress was made on all projects, but spatial planning proceedings remain very slow. As a result, the timelines for the Kadaka tee 88, Juhkentali 48 and Erika 12 projects have been extended.

During the year, the detailed spatial plan for **Kadaka tee 88** was adopted. We also organised an architectural competition, which was won by Pluss Architects with the design ÄngelHeinaMaa. The development project comprises the phased construction of a total of 17 two to four-storey residential buildings, comprising 396 apartments. We are aiming to start the construction of the first homes in 2026.

Following the adoption of the detailed spatial plan for **Juhkentali 48** during the year and feedback from neighbours, the plan has been referred to the Ministry of Regional Affairs and Agriculture for further processing. The project has been further delayed due to the long and ongoing procedure.

The detailed spatial plan for Erika street 12 (the **Peakorter** project) passed public display and discussion in 2023, with no comments received from neighbours or government agencies. The necessary approvals from agencies other than the Health Board have been received. There was no progress in obtaining approval from the Health Board during the year and at the end of the year we decided to proceed with the planning process without the approval of the Health Board. The project involves the phased construction of six residential buildings, comprising 137 apartments.

According to the best information available today and the projected timetable, we plan to start the construction of the residential and commercial building at Juhkentali 48 and the first residential buildings of the Peakorter project in 2026, with the buildings to be completed in 2027.

ÄngelHeinaMaa, winner of the
Kadaka tee 88 architectural competition
Pluss Arhitektid

Liven’s environmental objectives and Green Financing Framework

As global environmental concerns increase, so does the importance of the construction sector in improving environmental sustainability. At Liven, we are committed to shaping a sustainable future and contributing to the achievement of the EU’s ambitious 2050 targets for carbon neutrality and environmental protection. Our sustainability action plan is not just a strategy, but a true commitment to environmental protection and responsible resource management. Through our activities, we strive to make a positive contribution to global sustainability efforts, while ensuring the long-term success of our business operations.

In cooperation with LHV Pank and in accordance with the International Capital Market Association’s Green Bond Principles and the Loan Market Association’s Green Loan Principles, we drafted Liven’s Green Financing Framework in 2024 based on our plans and activities. Liven’s Green Financing Framework has also received an independent second-party opinion from the international credit rating agency S&P Global Ratings. In spring 2024, we raised 6.2 million euros through the first public offering of green bonds in the Baltic real estate sector to finance existing and new projects eligible under the Green Financing Framework.

Liven’s key environmental focus areas:

1. **Projects with green labels.** We prefer projects with sustainability certifications, such as LEED or BREEAM, which increase transparency and accountability in our construction practices.

2. **Energy efficiency.** We aim to design buildings that exceed national standards, to be in the top 10% of developers in our communities in terms of energy efficiency, and to exceed the minimum energy efficiency requirements.

3. **Integration of sustainable materials.** We are committed to tracking and replacing materials with high CO_2 emissions with sustainable alternatives, such as wood, thereby promoting a circular economy model and resource efficiency and reducing our environmental impact.

Contribution to the UN Sustainable Development Goals

The real estate development sector can make a significant contribution to achieving the UN Sustainable Development Goals. Liven has determined the following four UN Sustainable Development Goals that are particularly important and relevant to its operations:

Utilising sustainable materials and resources to reduce the risk of building materials containing substances detrimental to human health or the environment.

3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals.

Lowering energy use in our development projects and implementing renewable energy capabilities.

7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.

7.3. By 2030, double the global rate of improvement in energy efficiency.

Improving the efficiency of waste management.

11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

Contributing to the achievement of the following goals:

12.2 Achieve the sustainable management and efficient use of natural resources.

12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.

12.5 Reduce waste generation through prevention, reduction, recycling and reuse.

Key conditions of Liven's Green Financing Framework

Liven's Green Financing Framework defines the investments that are eligible for financing by green financing instruments (loans, bonds) issued by a group company.

The Framework covers five principles:

1. Use of proceeds	2. Process for project evaluation and selection	3. Management of proceeds	4. Reporting	5. Verification

The capital raised through green bonds or green loans is used to finance or refinance projects eligible for green financing as defined in the Framework. These eligible projects form a so-called green portfolio. In the use and management of proceeds we follow a portfolio approach and the use of the capital raised is not exclusively tied to any specific project. To manage proceeds, we maintain a register of the use of proceeds and publish a green financing report annually within twelve months of raising capital (until the full allocation of funds). This report details the allocation of proceeds, which has been reviewed by an independent external party, and the environmental impact.

The selection criteria for projects eligible for green financing are based on the UN Sustainable Development Goals related to reducing energy use and improving the efficiency of waste management, while also taking into account the European Union's Taxonomy Regulation on a best-effort basis. To be eligible for green financing, a development project must comply with the conditions for the nearly zero-energy building status in accordance with local standards, undergo an assessment of material climate-related risks, and meet at least one of the following criteria:

- attain a BREEAM certification of 'Very Good' or higher, or
- secure a LEED certification of 'Gold' or higher, or
- in Germany, meet the standard of KfW 40 or higher, or
- attain an energy performance that is at least 10% better than the Class A energy label.

The projects eligible for green financing (the green portfolio) in 2024 are presented in the table below:

Project	At least LEED 'Gold', BREEAM 'Very Good'	At least KfW 40	Energy performance at least 10% better than Class A energy label
Regati	Decided		
Wohngarten		Decided	
Olemuse			Decided
Juhkentali 48	Decided		
Kadaka tee 88	To be decided		To be decided
Peakorter	To be decided		To be decided

Focus on international certifications

We give priority to projects with international sustainability certifications such as LEED (Leadership in Energy and Environmental Design) or BREEAM (Building Research Establishment Environmental Assessment Method), which take a broader approach to sustainable development and go beyond energy efficiency. These certifications are awarded to buildings that are designed, built and operated in accordance with the principles of environmental protection and sustainable development. They are also strongly aligned with the UN Sustainable Development Goals.

In Estonia, many new office buildings have been awarded LEED certification, but only a few residential buildings have been certified. In 2025, Liven's first LEED buildings will be completed in the Regati development, our LEED pilot project, for which we will apply for the highest level of certification - LEED Platinum.

In 2024, Liven's development team already included two LEED Green Associate accreditation holders, and preparations were made during the year to progress to the LEED Accredited Professional level.

While designing and constructing buildings with international sustainability certifications is potentially one of the most impactful approaches to sustainable operations in our property development business, we continued to map the best management practices and metrics used in the industry during the year.

Liven remains firmly committed to sustainability and environmental protection. By integrating sustainability into our day-to-day activities and governance structures, we are not only building for today, but also creating a better tomorrow for future generations.

Liven's social impact

Liven's contribution to society and its responsibility are primarily expressed through the design of a common urban space for decades or even centuries to come, both through the visual exterior architecture and through the common areas of the development projects and their social use.

Despite our limited human resources and social impact, we are committed to education and succession planning. Our contribution and commitment in this area is demonstrated primarily through the provision of annual paid internships and guest lectures at educational institutions.

Staff

In 2024, the group's average number of employees was 31 (2023: 27), and annual staff costs amounted to 2.4 million euros (2023: 2.1 million euros). The remuneration of the members of the management board amounted to 248 thousand euros (2023: 206 thousand euros). The members of the supervisory board were not remunerated in 2024 and 2023. A member of the management board who is removed from office is entitled to severance pay equal to his or her six months' remuneration (a contingent liability). The maximum severance pay liability at 31 December 2024 was 136 thousand euros (31 December 2023: 111 thousand euros).

The increase in remuneration compared to the prior year was mainly attributable to an increase in the average number of staff.

We can be satisfied with the 9.7% employee turnover (calculated as the number of full-time employees who left divided by the average number of employees) in 2024. In 2023, the turnover rate (44.4%) was significantly higher than usual due to company-wide redundancies at the beginning of the year. Excluding these redundancies, the employee turnover rate in 2023 was also approximately 10%.

At the end of 2024, the male/female ratio was 56/44 (2023: 61/39).

Option programmes

Liven has had a share option programme (Liven Employee Ownership Program, LEOP) for its employees and key partners since 2019. The purpose of LEOP is to provide Liven's employees and key partners with an opportunity to contribute to Liven's share capital and thereby benefit from the company's success. The three-year acquisition period of the shares ended at the end of 2022. The share options can be exercised in the period 2023–2025. In 2024, the shareholders approved a new employee share option programme, LEOP 2024–2027, which is similar to the original LEOP.

In 2021, the general meeting approved an option programme which ran until the end of 2024. Under this programme, option holders have personal targets, and the programme differs from the LEOP share option programme in terms of other conditions as well.

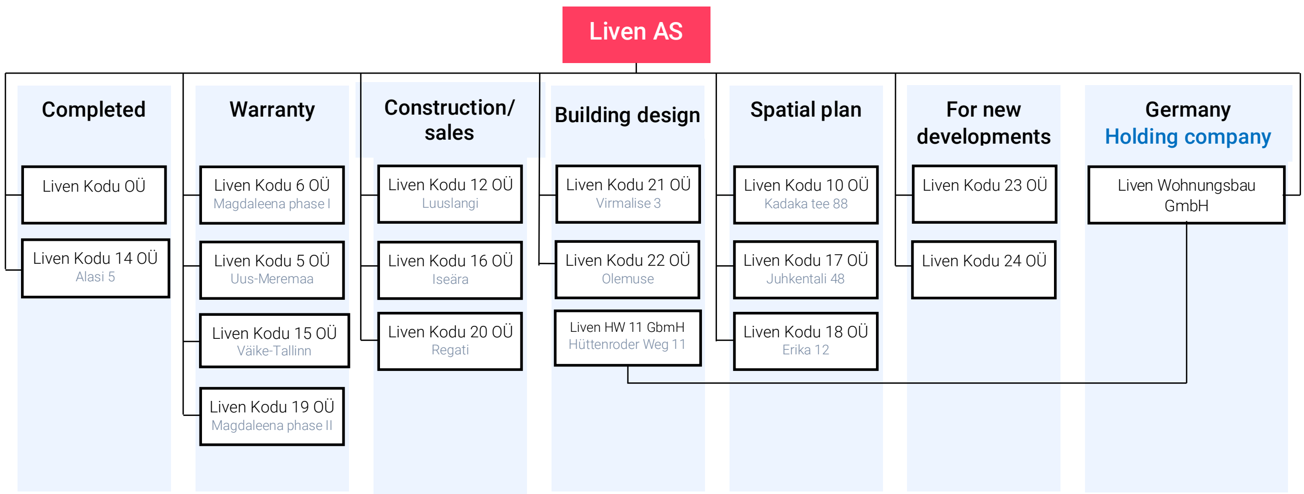
For a more detailed overview of the share option programmes and the movements of related shares, including own (treasury) shares, see notes 15 and 16 to the financial statements.

Group structure

At 31 December 2024, the group comprised 19 companies (31 December 2023: 20). The core business of all group companies is the development of building projects. Liven AS is the group's holding company, Liven Kodu OÜ holds completed projects, Liven Wohnungsbau GmbH is the holding company of the business in Germany and all other companies have been established for the development of specific housing projects. Liven AS has, directly or indirectly, sole control of all its subsidiaries.

Description of project stages:

For new developments	Development activities have not yet started; a company has been established for carrying out a potential new development project and the acquisition of the associated property (plot of land).
Spatial plan	A detailed spatial plan or design specification is being prepared to obtain building rights.
Building design	A preparatory stage before construction. This stage includes the preparation of the building design documentation, obtaining the necessary permits, and finding contractors. In some cases, design specification proceedings may also be necessary.
Construction/sales	The building is/buildings are under construction (or there are plans to build the next phases when the earlier phases have been completed). As a rule, by the start of construction work, 40–50% of the volume under construction has been sold under contracts under the law of obligations.
Warranty	The warranty period lasts for 2 years.
Completed	After the warranty period has ended and all apartments have been sold, the companies established for the projects are merged with Liven Kodu OÜ in order to streamline the group's structure.



At 31 December 2024, the shares in Liven Kodu 5 OÜ and Liven Kodu 10 OÜ were pledged to creditors as security.

In 2024, Liven Kodu 11 OÜ was merged with Liven Kodu OÜ.

Living room in the **Iseära** development
Interior architect: Carolyna Kodar, photo: Karl Kasepõld

Corporate governance

In 2023, the shareholders' general meeting decided to implement the Corporate Governance Recommendations of the Tallinn Stock Exchange (a set of guidelines and recommendations prepared by the Financial Supervision and Resolution Authority) from the date the group's shares are listed on the stock exchange. Although Liven's shares are not listed, the group's governance, based on an analysis already carried out in 2023, largely complies with the guidelines and recommendations described in the Corporate Governance Recommendations. Most of the analysed cases of 'non-compliance' were due to the fact that the group's securities were not listed on either the share or bond list of the Nasdaq Tallinn Stock Exchange and were primarily related to a website designed for investors and the information on the website, duplication of available information in English and mandatory requirements of the Nasdaq Tallinn Stock Exchange that apply to other companies already listed on the stock exchange.

The shareholders' general meeting is the highest governing body of Liven AS. Both the supervisory board and the management board of Liven AS had three members in 2024. The group does not have an audit committee and this function is performed by the supervisory board of Liven AS. The supervisory board has the right to invite the auditor of the group to a meeting at which the annual report is reviewed.

The financial audit is conducted in accordance with International Standards on Auditing. The auditor is selected and approved by the general meeting, based on a procurement process, usually for a period of two years. The selection criteria are the experience of the audit team, the reputation of the audit firm, its affiliation with an international network, the independence of the auditor and the cost of the services. At the shareholders' general meeting, KPMG Baltics OÜ was approved as the auditor of the group for the years 2023–2024. The fees for the audit for 2024 (including all subsidiaries) total 49 thousand euros.

General meeting

The shareholders' general meeting is the highest governing body of Liven AS. Annual general meetings are held once a year and extraordinary general meetings may be called by the management board in the cases prescribed by law. The general meeting has the power to amend the articles of association and the share capital, elect the members of the supervisory board and determine their remuneration, appoint the auditor, approve the annual report and decide on the distribution of profits and such other matters as may be prescribed by the articles of association and by law.

The annual general meeting of Liven AS was held on 19 April 2024. The meeting was attended by 28 shareholders representing 94.0% of all votes. The meeting approved the group's annual report for 2023, the extension of the term of office of members of the supervisory board Andres Aavik and Peeter Mänd, and a new share option programme for Liven's employees. It was also resolved to waive the shareholders' pre-emptive right to subscribe for new shares issued under the programme and to grant Liven AS the right to acquire its own shares to implement the option programmes.

The shareholders also approved a dividend distribution of 635 thousand euros. Based on the group's dividend policy, the amount of dividends was 25% of the pre-tax profit for 2023 (220 thousand euros) plus 12.5% of the pre-tax profit for 2022 (416 thousand euros). In 2023, only 12.5% of the pre-tax profit for 2022 was paid out in dividends.

The notice of the annual general meeting was sent to the shareholders by email, published in a national daily newspaper and also made available on Liven's website. All documents necessary for the adoption of resolutions at the general meeting were attached to the notice.

The annual general meeting was held in Estonian and for practical reasons the chairman of the management board was unanimously elected to chair the meeting. The members of the supervisory board and the management board attended the meeting, and the auditor was also invited. The meeting was transmitted live on the Internet. Shareholders who were unable or did not wish to attend the meeting were able to vote on the proposed resolutions on the agenda by sending a digitally signed ballot paper by email prior to the meeting.

Supervisory board of Liven AS

The supervisory board has three members:

Andres Aavik *(Chairman of the Supervisory Board)*

Andres Aavik is one of the founders of Liven. He has been involved in real estate development since 1997. Over the years, he has developed more than 2,000 apartments and been in charge of the adoption of more than 10 detailed spatial plans. In 2001–2013, he held various positions at Skanska AS, from project manager to chairman of the management board in the last two years.

Andres is the chairman of the Association of Estonian Real Estate Firms.

Peeter Mänd

The entrepreneurial experience of Peeter Mänd began in 1990 when he became one of the founders and the forestry director of the forestry group AS Sylvester. As a member of the management board of OÜ Ivard, Peeter has been active in various sectors, including real estate, since 2002. His currently best-known undertaking in the real estate field is Eften Capital AS, where Peeter was a co-founder and has been a member of the supervisory board since 2008.

Krista Tamme

For the last 20 years, Krista Tamme has held financial and governance positions in companies operating in the ICT sector, including as a member of the management board and supervisory board. Krista Tamme has been a member of the management board of Liven's shareholder Probus OÜ since 2022 and a member of Liven's supervisory board since April 2023.

Management board of Liven AS

The management board has three members:

Andero Laur *(Chairman of the Management Board)*

Andero is one of the founders of Liven. He has been involved in the construction and real estate business since 2007. Andero holds a master's degree in construction management and has completed the Advanced Management Development Program in Real Estate at Harvard University. Before founding Liven, Andero worked for Skanska AS for 7 years, holding various positions. At Liven, Andero is responsible for overall management and the group's entry into the German market.

Mihkel Simson

Mihkel is one of the founders of Liven. He has been involved in construction management since 2006. Mihkel has been responsible for construction contracts, customer support and warranties since 2016 and all commercial spaces in Liven's portfolio, including their development, sales and letting, since 2024.

Alina Kester

Alina joined the management board of Liven AS in 2018. She has worked in marketing for over ten years, since 2013. In addition to extensive experience in real estate marketing, she has two master's degrees in marketing. At Liven, she is responsible for marketing, sales, interior architecture and design.

Shares held by the members of Liven's governing bodies

The number of shares held and the number of shares that could be acquired under share options in future periods by the members of Liven's supervisory board and management board and their close family members at 31 December 2024:

	Position	Number of shares	Number of share options
Andres Aavik	Chairman of the supervisory board	2,820,000	0
Peeter Mänd	Member of the supervisory board	1,199,813	0
Krista Tamme	Member of the supervisory board	0	0
Andero Laur	Chairman of the management board	2,600,000	0
Alina Kester	Member of the management board	30,166	68,100
Mihkel Simson	Member of the management board	2,600,000	0

Shares and shareholders

The shares of Liven AS (ISIN: EE3100003112) are registered with Nasdaq CSD Estonia. At 31 December 2024, Liven AS had issued a total of 12,000,000 shares (31 December 2023: 11,831,295 shares). The number of shares excluding own (treasury) shares was 11,910,565 (2023: 11,822,821).

In accordance with the articles of association, the share capital of Liven AS consists of ordinary shares with a par value of 0.1 euros each. All shares are of the same type and each share carries one vote at the shareholders' general meeting. No preference shares or shares with special rights have been issued. According to the articles of association, shares can be freely transferred, but in accordance with the shareholder agreement the existing shareholders have pre-emptive and tag-along rights.

To implement the share and option programmes and comply with their terms, a total of 168,705 new shares were issued in 2024, of which 98,263 shares were acquired as own shares immediately after the issue, and some of the own shares were also transferred. At 31 December 2024, Liven AS held 89,435 own shares (2023: 8,474). Further details of the movements of own shares are provided in note 15 to the financial statements.

The shares of Liven are not listed for public trading on any stock exchange and there has been no active trading in the Liven shares due to the restrictions agreed in the shareholder agreement. Based on a share issue in 2023, which is the most recent significant financial transaction, the company's market capitalisation (market value of the share capital) was 49.4 million euros and the P/E (price-to-earnings) ratio (market price of the share / earnings per share) for 2024 was 88.6 (2023: 63.8, 2022: 14.9) and the dividend yield was 1.3% (2023: 0.8%).

At 31 December 2024, Liven AS had the following shareholders:

Shareholder	Number of shareholders	Individual	Company	Number of shares	% of share capital
Verdale OÜ	1	0	1	2,820,000	23.7%
BKK Holding OÜ	1	0	1	2,600,000	21.8%
OÜ LAUR & PARTNERS	1	0	1	2,600,000	21.8%
Probus OÜ	1	0	1	1,392,751	11.7%
Ivard OÜ	1	0	1	1,199,813	10.1%
Shareholders participating in LEOP	34	26	8	351,674	3.0%
Other shareholders	48	10	38	946,327	7.9%
Total	**87**	**36**	**51**	**11,910,565**	**100%**
Liven AS own (treasury) shares	1	0	1	89,435	
Total (including own shares)	**88**	**36**	**52**	**12,000,000**	

No shareholder holds more than 5% of the shares, with the exception of the shareholders listed in the table.

Shareholder agreement

After the share issue in 2019, an agreement was signed between the shareholders regarding the group's overall strategy, governance principles, financing and relations between shareholders. Among other things, the agreement describes the terms and restrictions that apply to the sale of shares, including pre-emptive and tag-along rights. The agreement will automatically expire when the shares of Liven AS have been listed on the stock exchange, which is one of the targets set out in the agreement.

Bonds listed on Nasdaq Tallinn Stock Exchange

Liven conducted a public offering of green bonds in May 2024 and since 24 May 2024 the Liven green bonds (ISIN: EE3300004332) have been traded on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange. The offering and issue were organised by LHV Pank and the legal advisor was law firm Ellex Raidla.

Liven offered up to 4,000 unsecured bonds with a nominal value of 1,000 euros per bond, maturing on 23 May 2028, and with a fixed interest rate of 10.5%, payable quarterly. A total of 14,529 bonds were subscribed for by 2,819 investors who participated in the offering, resulting in a 3.6-fold oversubscription. As a result of the oversubscription, the management board decided to increase the offering to 6,200 bonds, or 6.2 million euros.

From the start of trading until 31 December 2024, 438 trades were made in the Liven bonds on the Nasdaq Tallinn Stock Exchange (the third result on the Tallinn exchange), for a total value of 673,012 euros (the seventh result). The weighted average trading value per bond on the last trading day of the year was 1,095.67 euros (including accrued interest) and 1,084.30 euros (excluding accrued interest). The gross bond yield, including the two interest payments made, from the issue of the bonds to 31 December 2024 was 14.8%. The yield to maturity (without considering the possibility of early redemption) was 7.6%.

Dividend policy

To pay an annual dividend of 25% of the previous year's profit before tax. The payment and timing of dividends will depend on the availability of sufficient funds and will be subject to the condition that the payment of dividends will not jeopardise the group's ability to continue as a going concern and to make planned investments.

Overview of business risks

Risk management, which is a central part of the group's strategic management, is aimed at identifying and minimising economic risks in order to achieve the group's strategic and financial objectives. The main risks include market, operational and financial risks, including those related to capitalisation and financing. A more detailed description of financial risks is provided in note 7 to the consolidated financial statements.

The group's financial performance depends on the ability of its contractors and partners to meet the agreed terms and conditions. The group is exposed to market concentration risk as it only develops residential real estate. The group currently has a significant development portfolio and continues to seek new potential projects, but there is no certainty that suitable and sufficiently profitable property projects will be found in the future. As development activities are capital intensive, the group's operations and financial performance are dependent 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 and the cyclical nature of the property market. Additional risks are posed by intense competition and regulatory changes.

Future outlook

We expect the economic environment to continue to improve in 2025. The recent upturn in the housing market offers hope for a sustained recovery in demand. However, the market remains challenging and will be influenced by external factors, in particular interest rates, geopolitics, the tax environment and consumer confidence.

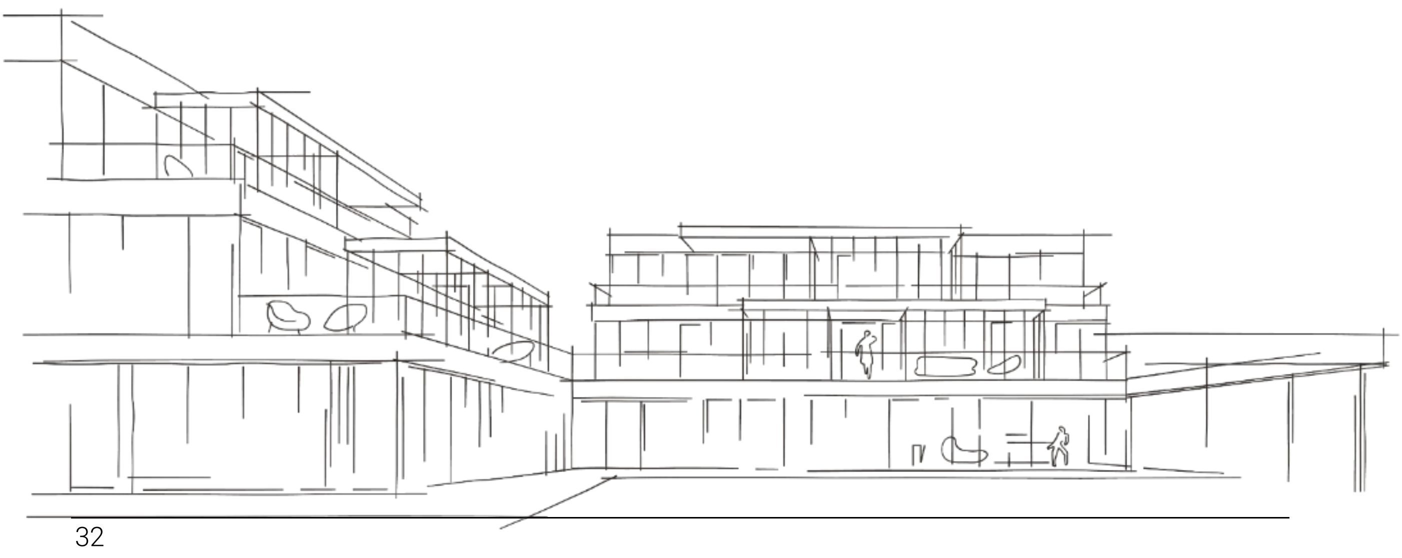
The positive trends in interest rates and real wages are expected to continue in 2025, so the affordability of real estate is likely to improve significantly. Assuming that transaction prices in new developments remain broadly unchanged over the year, the improvement in affordability will continue strongly towards 2022 levels or better. Meanwhile, the increase in the income tax rate at the beginning of 2025 and the increase in the VAT rate in the middle of the year will slow down the pace of improvement in affordability.

Property development is characterised by a long time lag in results and higher marketing costs in the periods before sales volumes start to grow. The result for 2025 will reflect the circumstances and decisions of recent years, when we started the pre-sales and construction of the Iseära and Regati projects. In 2025, we will be able to deliver up to 194 residential and commercial spaces with the maximum potential revenue value of up to 75 million euros. By the beginning of the year, 86 of those spaces with a revenue value of 36 million euros had been sold under contracts under the law of obligations.

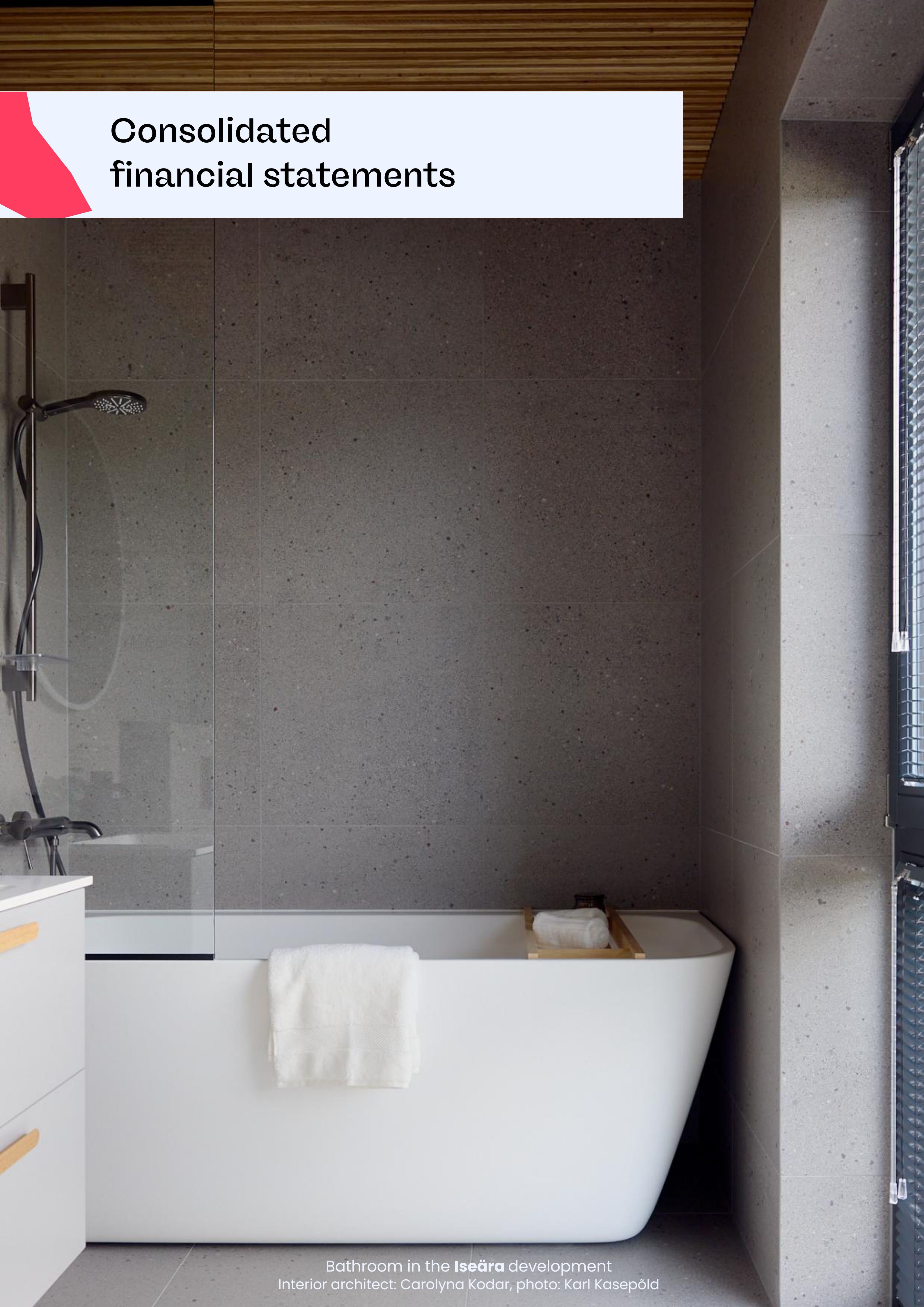
Recent years have been difficult and the 20% return on equity target has not been achieved, but we expect a significant improvement in the group's performance in 2025 and 2026, mainly due to the completion of construction in the Regati and Iseära projects. If sales remain at the same level as in the last six months, we expect revenue to reach around 55 million euros in 2025 and assume that this will be sufficient to achieve the 20% return on equity target. No buildings under construction will be completed in the first quarter and most of the planned revenue and profit will be generated in the second half of the year.

A year ago we hoped that several lengthy processes for the adoption of detailed spatial plans would be completed, but only the detailed plan for Virmalise 3 was adopted. We are still waiting for the detailed plans for Kadaka tee 88, Juhkentali 48 and Erika 12 to be adopted, this time in 2025.

Our activities and decisions in 2025 will provide a basis for our financial performance in 2026 and 2027. To achieve good results, we need external factors to improve and we need to find ways to increase our cost efficiency. This year we will continue the presales of phase II of the Luuslangi project and the Wohngarten project and start the presales of the next phases of the Iseära project and several new development projects. When the expected presales levels are reached, we will also start construction. Liven's development portfolio has sufficient volume for the next 4–5 years, but we will continue to look for new properties and negotiate relevant purchase transactions in order to increase the development portfolio.



Consolidated financial statements



Bathroom in the **Iseära** development
Interior architect: Carolyna Kodar, photo: Karl Kasepõld

Consolidated statement of financial position

(in thousands of euros)	Note	31 December 2024	31 December 2023
Current assets			
Cash and cash equivalents	7	5,905	3,721
Trade and other receivables	8	1,270	1,326
Prepayments	9	385	321
Inventories	10	67,902	62,112
Total current assets		**75,462**	**67,480**
Non-current assets			
Prepayments		44	0
Investment properties	11	1,350	0
Property, plant and equipment		423	388
Intangible assets		401	296
Right-of-use assets		618	395
Total non-current assets		**2,836**	**1,079**
TOTAL ASSETS		**78,298**	**68,559**
Current liabilities			
Borrowings	12	6,405	17,106
Trade and other payables	13	11,234	9,121
Provisions	12	99	2,384
Total current liabilities		**17,739**	**28,611**
Non-current liabilities			
Borrowings	12	40,851	21,328
Trade and other payables	13	1,398	469
Provisions		72	29
Total non-current liabilities		**42,322**	**21,826**
Total liabilities		**60,061**	**50,437**
Equity			
Share capital	15	1,200	1,183
Share premium	15	9,562	9,339
Share option reserve	15, 16	317	363
Own (treasury) shares	15	-9	-1
Statutory capital reserve		118	115
Retained earnings (prior periods)		6,491	6,347
Profit for the year		558	775
Total equity attributable to owners of the parent		**18,237**	**18,122**
Total equity	**15**	**18,237**	**18,122**
TOTAL LIABILITIES AND EQUITY		**78,298**	**68,559**

The notes on pages 38–69 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(in thousands of euros)	Note	2024	2023
Revenue	17	27,266	35,765
Cost of sales	18	-23,429	-32,681
Gross profit		**3,837**	**3,084**
Distribution costs	19	-1,418	-1,022
Administrative expenses	20	-1,419	-1,200
Other operating income		312	14
Other operating expenses		-26	-8
Operating profit		**1,287**	**868**
Finance income		79	17,
Finance costs	10	-647	-6
Total finance income and finance costs		**-568**	**11**
Profit before tax		**719**	**879**
Income tax expense		-162	-104
Net profit for the year		**558**	**775**
Attributable to owners of the parent		558	775
Comprehensive income for the year		**558**	**775**
Attributable to owners of the parent		558	775
Basic earnings per share	25	0.047	0.066
Diluted earnings per share	25	0.046	0.064

The notes on pages 38–69 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

(in thousands of euros)	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit		1,287	868
Adjustments for:			
Depreciation, amortisation and impairment losses		*359*	*148*
Change in fair value of investment properties	*11*	*-286*	*0*
Other adjustments	*26*	*2,153*	*3,333*
Total adjustments		**2,226**	**3,481**
Change in receivables and prepayments	8,9	-112	343
Change in inventories	10	-5,790	-7,692
Change in payables and deferred income	13	2,838	1,886
NET CASH FROM/USED IN OPERATING ACTIVITIES		**449**	**-1,115**
CASH FLOWS FROM INVESTING ACTIVITIES			
Paid for acquisition of property, plant and equipment and intangible assets		-395	-421
Interest received		96	15
Proceeds from government grants		150	0
Other proceeds from investing activities		0	9
NET CASH USED IN INVESTING ACTIVITIES		**-148**	**-397**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans received	12	32,199	30,147
Repayments of loans received	12	-24,327	-26,286
Repayments of lease principal		-174	-51
Interest paid	12	-5,041	-2,772
Proceeds from issue of shares	15	7	1,054
Proceeds from sale of own (treasury) shares	15, 16	25	0
Dividends paid	15	-635	-416
Corporate income tax paid		-171	-104
NET CASH FROM FINANCING ACTIVITIES		**1,883**	**1,572**
NET CASH FLOW		**2,184**	**61**
Cash and cash equivalents at beginning of period		**3,721**	**3,660**
Increase in cash and cash equivalents		2,184	61
Cash and cash equivalents at end of period	**7**	**5,905**	**3,721**

The notes on pages 38–69 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

(in thousands of euros)	Equity attributable to owners of the parent								
	Share capital	Share premium	Share option reserve	Own (treasury) shares	Statutory capital reserve	Retained earnings	Total	Non-controlling interests	Total equity
As at 31 December 2022	**1,152**	**8,228**	**274**	**-1**	**102**	**6,772**	**16,526**	**0**	**16,526**
Profit for the year	0	0	0	0	0	775	775	0	775
Issue of share capital	32	1,022	0	0	0	0	1,054	0	1,054
Share options	0	89	94	0	0	0	183	0	183
Transfer to capital reserve	0	0	0	0	13	-13	0	0	0
Sale of own shares	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	-416	-416	0	-416
Other changes in equity	0	0	-5	0	0	5	0	0	0
As at 31 December 2023	**1,183**	**9,339**	**363**	**-1**	**115**	**7,122**	**18,122**	**0**	**18,122**
Profit for the year	0	0	0	0	0	558	558	0	558
Issue of share capital	17	0	0	0	0	0	17	0	17
Share options	0	200	-41	0	0	0	159	0	159
Transfer to capital reserve	0	0	0	0	3	-3	0	0	0
Sale of own shares	0	23	0	-8	0	0	15	0	15
Dividends paid	0	0	0	0	0	-635	-635	0	-635
Other changes in equity	0	0	-5	0	0	7	2	0	2
As at 31 December 2024	**1,200**	**9,562**	**317**	**-9**	**118**	**7,049**	**18,237**	**0**	**18,237**

Further information about the components of the group's equity is provided in note 15.

The notes on pages 38–69 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

Note 1. General information

Liven AS (the parent, the company) is a company incorporated in Estonia in 2014. The parent's registered address is Telliskivi 60/5, Tallinn, 10111, Estonia. The consolidated financial statements of Liven AS for the year ended 31 December 2024 comprise the financial information of the parent and its subsidiaries (the group). The group's core business is development of building projects.

Note 2. Basis of preparation

The group's consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The accounting and reporting policies described below have been consistently applied to all periods presented in the consolidated financial statements. The subsidiaries prepare their financial statements in accordance with the local financial reporting standard and where the standard differs from IFRS, the necessary adjustments have been made in preparing these consolidated financial statements to present the information in accordance with IFRS.

The group's management board authorised these consolidated financial statements for issue on 21 March 2025. In accordance with the provisions of the Estonian Commercial Code, the annual report must also be approved by the supervisory board and ultimately by the shareholders' general meeting.

Note 3. Functional and presentation currency

The group's functional and presentation currency is the euro. These consolidated financial statements are presented in thousands of euros. Because of rounding, some totals may not agree exactly with the sum of their component parts.

Note 4. Significant accounting estimates

In preparing the consolidated financial statements, management uses estimates, which affect the application of the group's accounting policies and the amounts of reported assets, liabilities, income and expenses. Actual results may prove different from the estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Changes in estimates are recognised prospectively.

Significant estimates

- *Note 10 Inventories – assessment of the need for an inventory write-down.*
  Inventories are measured on an individual basis. A business plan is prepared for each inventory item (a property or a building) that takes into account its specific features (purpose of use, building rights status), and the costs related to the item are compared to its estimated revenue (net realisable value, NRV). If the costs of an inventory item exceed its NRV, the item is written down by the corresponding amount. Due to the volatility of the construction market and the low liquidity of the real estate market, the NRV depends largely on management's estimates. In 2024, the group wrote down the inventories of the Magdaleena 4 development project by 30 thousand euros based on the project's NRV. In 2023, no inventories were written down. The sensitivity testing of the NRVs of other development projects indicted that if the NRVs were overstated by 10% (i.e. if the actual NRVs proved 10% lower than management's estimates), the projects would still be profitable and there would be no need for an additional write-down.

Fair value measurement

Several of the group's accounting policies and disclosure requirements assume fair value measurement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The group must have access to the principal or most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interests. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs that are significant to the entire measurement:

- level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 — valuation techniques whose lowest-level input that is significant to the entire measurement is observable, either directly or indirectly;
- level 3 — valuation techniques whose lowest-level input that is significant to the entire measurement is unobservable.

For further information about the assumptions, inputs and estimates used, see:

- Note 7. Financial instruments
- Note 11. Investment properties
- Note 16. Share-based payments

Estimation uncertainty

Management makes estimates based on its experience and the facts known to it by the date the financial statements are completed. Accordingly, there exists the risk that the assets and liabilities as well as the associated income and expenses reported as at and for the period ended at the reporting date may need to be adjusted in the future.

Note 5. New standards, amendments to standards and interpretations

The following new standards, interpretations and amendments were not yet effective for the reporting period ended 31 December 2024 and have, therefore, not been applied in preparing these consolidated financial statements. The group plans to adopt these pronouncements when they become effective.

Standards, interpretations and amendments to published standards that are not yet effective

The following new and amended standards are effective for reporting periods beginning after 1 January 2024 and early adoption is permitted. The group has not early adopted any of these new and amended standards and does not expect them to have a material impact on the group's consolidated financial statements when they become effective.

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Annual Improvements to IFRS Standards – Volume 11.

New standards, amendments and interpretations (not yet endorsed by the European Union as at 18 November 2024) that are effective for annual periods beginning after 1 January 2024 and may have a material effect on the group's consolidated financial statements:

Standard/Interpretation	Nature of impending change in accounting policy	Possible impact on the financial statements
IFRS 18 Presentation and Disclosure in Financial Statements (Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.)	IFRS 18 replaces IAS 1 Presentation of Financial Statements. The major changes in the requirements are summarised below. *A more structured statement of profit or loss* IFRS 18 introduces newly defined ‘operating profit’ and ‘profit or loss before financing and income tax’ subtotals and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities: operating, investing and financing. Under IFRS 18, companies are no longer permitted to disclose operating expenses only in the notes. A company presents operating expenses in a way that provides the ‘most useful structured summary’ of its expenses by either: • nature; • function; or • using a mixed presentation. If any operating expenses are presented by function, then new disclosures apply. *MPMs – Disclosed and subject to audit* IFRS 18 also requires some ‘non-GAAP’ measures to be reported in the financial statements. It introduces a narrow definition for Management-defined Performance Measures (‘MPMs’), requiring them to be: • a subtotal of income and expenses; • used in public communications outside the financial statements; and • reflective of management’s view of financial performance. For each MPM presented, companies need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. *Greater disaggregation of information* To provide investors with better insight into financial performance, the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as ‘other’ and are required to disclose more information if they continue to do so. *Other changes applicable to the primary financial statements*	The group plans to apply the new standard from 1 January 2027. The group expects that the new standard, when initially applied, may have a material impact on its financial statements. The group is in the process of assessing the potential impact on its financial statements resulting from the application of IFRS 18.

	IFRS 18 sets operating profit as a starting point for the indirect method of presenting cash flows from operating activities and eliminates the option for classifying interest and dividend cash flows as operating activities in the cash flow statement (this differs for companies with specified main business activities). It also requires goodwill to be presented as a separate line item on the face of the statement of financial position. *Transition* In its annual financial statements prepared for the period in which the new standard is first applied, an entity shall disclose, for the comparative period immediately preceding that period, a reconciliation for each line item in the statement of profit or loss between: • the restated amounts presented applying IFRS 18; and • the amounts previously presented applying IAS 1.	

Note 6. Material accounting policies

A summary of material accounting policies applied in the preparation of these consolidated financial statements is set out below. The accounting policies described have been applied consistently unless otherwise stated in the following text.

Preparation of consolidated financial statements

These consolidated financial statements comprise the financial information of Liven AS and its subsidiaries, consolidated on a line-by-line basis.

Subsidiaries

Consolidation of a subsidiary begins from the date the group obtains control of the subsidiary and ceases when the group loses control of the subsidiary. All assets, liabilities, income and expenses of subsidiaries acquired or disposed of during the year are recognised in the consolidated financial statements from the date that control commences until the date that control ceases. The financial information of subsidiaries is adjusted, where necessary, to make them conform to the group's accounting policies.

Transactions eliminated on consolidation

All intragroup assets and liabilities as well as items of equity, income, expenses and cash flows that result from intragroup transactions are fully eliminated on consolidation.

Cash and cash equivalents

Cash and cash equivalents comprise overnight and demand deposits and other short-term, highly liquid investments with original maturities of three months or less which are subject to an insignificant risk of changes in value.

Financial assets and liabilities

Recognition and initial measurement

Trade receivables are recognised at the time they arise. All other financial assets and liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. At initial recognition, the group measures a financial asset or a financial liability at its fair value plus or minus any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not contain a significant financing component are measured at initial recognition at the transaction price.

Classification, subsequent measurement, and gains and losses

Financial assets

The group subsequently measures financial assets at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

Financial assets are not reclassified after initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if both of the following conditions are met:

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

The group classifies cash and cash equivalents, trade receivables, loans provided and other receivables as financial assets measured at amortised cost.

A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions and it has not been designated as measured at fair value through profit or loss:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets that are not classified as measured at amortised cost or at fair value through other comprehensive income, as described above, are measured at fair value through profit or loss.

Even if a financial asset meets the requirements to be measured at amortised cost or fair value through other comprehensive income, the group may designate, at initial recognition, the asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

At 31 December 2023 and 31 December 2024 as well as in 2024, all of the group’s financial assets were measured at amortised cost using the effective interest method. Measurement at amortised cost includes the deduction of impairment losses. Any interest income, foreign exchange gains and losses, and impairment losses on the assets are recognised in profit or loss. Gains and losses arising on derecognition are also recognised in profit or loss.

Financial liabilities

Financial liabilities are measured either at amortised cost or at fair value through profit or loss. A financial liability is classified as measured at fair value through profit or loss if it is held for trading, it is a derivative instrument or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value, and net gains and losses on them, including any interest expense, are recognised in profit or loss.

Other financial liabilities are measured at amortised cost using the effective interest method. When calculating the effective interest rate, the group also takes into account the transaction costs. The difference between the amount received (less the transaction costs) and the redemption amount is recognised in profit or loss over the life of the instrument using the effective interest rate. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Gains and losses on derecognition are also recognised in profit or loss.

Derecognition

Financial assets

The group derecognises a financial asset when, and only when, the contractual rights to the cash flows from the asset expire, or the group transfers the asset and the transfer qualifies for derecognition.

The group transfers the right to receive contractual cash flows in a transaction in which all risks and rewards of ownership of the financial asset are transferred or, if the group does not transfer the risks and rewards of ownership of the financial asset, the group does not retain control of the financial asset.

If the group transfers a financial asset recognised in its financial statements but retains all or substantially all risks and rewards of ownership of the asset, the group does not derecognise the financial asset.

Financial liabilities

The group removes a financial liability from its statement of financial position when, and only when, its obligation is extinguished – i.e. when the obligation specified in the contract is discharged, cancelled or expires. The group derecognises a financial liability if the terms of the financial liability are modified so that the cash flows of the liability become substantially different from the original ones. In that case, a new financial liability with the modified terms is recognised at fair value.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Impairment of financial assets

The group applies the expected credit loss model to financial assets measured at amortised cost.

The group measures a loss allowance for expected credit losses on a financial asset at an amount equal to lifetime expected credit losses, except for financial assets for which the loss allowance is measured at an amount equal to 12-month expected credit losses, such as:

- other receivables;
- cash and cash equivalents whose credit risk has not increased significantly since initial recognition.

For all trade receivables, the group applies the simplified approach permitted under IFRS 9 which allows an entity to measure a loss allowance at an amount equal to lifetime expected credit losses.

The group always recognises for trade receivables a loss allowance equal to their lifetime expected credit losses. Expected credit losses on these assets are estimated using a provision matrix, which is based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and, if necessary, the time value of money. Expected credit losses are a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive, discounted at the financial asset's effective interest rate.

At each reporting date, the group assesses whether a financial asset measured at amortised cost might be credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the debtor;
- a breach of contract (such as a default or past due event);

- restructuring of a loan or prepayment on terms that the group would not otherwise have considered;
- it becoming probable that the debtor will encounter financial difficulty.

The carrying amount of a financial asset measured at amortised cost is reduced by the amount of its loss allowance.

Inventories

The group's inventories include land that has been acquired or is being developed for housing development purposes and other purchase and production costs incurred in connection with the group's development activities. Finished goods and work in progress are initially recognised at cost, which comprises all direct and indirect costs incurred in bringing the inventories to the state necessary for sale. Inventories also include development projects' capitalised borrowing costs.

Inventories comprise both the costs directly related to the inventory items (e.g. development and construction costs) as well as a systematic proportionate allocation of administrative expenses (e.g. staff, office, other employee-related and other costs), which are capitalised and added to the cost of the inventories in accordance with internally established function-based and hourly rates and the allocation of the working time of the staff involved in the activities that generate the costs.

The cost of inventories is assigned using the weighted average cost formula.

Inventories are measured at the lower of cost and net realisable value. Inventory write-downs to net realisable value are recognised as an expense (cost of sales) in the period in which the write-down is made. If the net realisable value of inventories written down in an earlier period subsequently increases, the write-down is reversed.

Revenue from completed developments is recognised when the transferor and the acquirer (the seller and the buyer) have signed a notarised real right contract for the transfer of the ownership of the immovable property. Capitalised costs which are included in inventories are recognised in the cost of sales in the statement of comprehensive income in the same period as the revenue is recognised and in proportion to the share of the sales price in the total budgeted revenue of the project or project stage.

Investment properties

Investment property is property (land or a building) held by the group to earn rentals or for capital appreciation rather than for use in own operating activities. An investment property is measured at initial recognition at cost, which also includes directly attributable transaction costs (such as notaries' fees, state fees, consulting fees and other expenditures without which the transaction would probably not have occurred). After initial recognition, investment properties are measured at fair value, which is based on the market value determined using the discounted cash flow method. Gains and losses on changes in fair value are recognised in other operating income and other operating expenses, respectively.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from it. Gains and losses arising from the derecognition of an investment property are recognised in profit or loss in other operating income and other operating expenses, respectively, in the period of derecognition. When the purpose of use of an investment property changes, the asset is reclassified in the statement of financial position. From the date of transfer to another asset class, the asset is accounted for using the accounting policies applied to that asset class to which it was transferred.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised, i.e. recognised as part of the cost of that asset. Borrowing costs are those costs that would have been avoided if expenditure on the qualifying asset had not been made. If funds are borrowed specifically for the purpose of obtaining a qualifying asset, the group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on the borrowed funds during the period less any investment income on the temporary investment of those funds. Other borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest method.

Impairment of financial assets

Impairment assessment for financial assets is described in the section 'Financial assets and liabilities' in these accounting policies.

The group as a lessee

When entering into or modifying a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

The group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability. The amount of the initial measurement of the lease liability is adjusted for any advance lease payments made, any initial direct costs incurred and any restoration costs (the costs incurred in dismantling and removing the underlying asset and restoring the site on which it was located) to be incurred. Any lease incentives received are deducted from this amount.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the end of the lease term unless the ownership of the underlying asset will transfer to the group at the end of the lease term or the carrying amount of the right-of-use asset indicates that the group intends to exercise the purchase option.

In that case, the right-of-use asset is depreciated from the commencement date of the lease to the end of the useful life of the underlying asset, which is determined using the same approach that is applied to items of property, plant and equipment owned by the group.

In addition, right-of-use assets are adjusted for impairment losses, if any. Right-of-use assets are also adjusted for certain remeasurements of the lease liability.

At the commencement date, the lease liability is measured at the present value of the lease payments not paid at that date, using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The group generally applies the incremental borrowing rate as the discount rate.

The incremental borrowing rate is determined by reference to different sources of financing. The inputs obtained are adjusted to reflect the terms of the lease and the type of the underlying asset in order to find the incremental borrowing rate appropriate for the asset.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments);
- penalties for terminating the lease (if termination is reasonably certain);
- the exercise price of a purchase option (if the lessee is reasonably certain to exercise that option);
- amounts expected to be payable by the lessee under residual value guarantees;
- lease payments that depend on an index or a rate.

A lease liability is measured at amortised cost. It is remeasured if there is a change in future lease payments resulting from a change in an index or a rate used to determine the payments, if there is a change in the amounts expected to be payable under a residual value guarantee or if the group changes its assessment of whether it intends to exercise the option to purchase the underlying asset or the options to extend or terminate the lease. The lease liability is also remeasured to reflect changes in fixed payments (including in-substance fixed payments).

If the lease liability is remeasured for the above reasons, a corresponding adjustment is made to the carrying amount of the right-of-use asset. The effect of the change in the lease liability is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Assets recognised as right-of-use assets in 2024 include the leases on the showroom/office at Telliskivi 60/5 in Tallinn and the showroom/office in Berlin that give the right to use the premises. The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The group recognises lease payments associated with those leases as an expense on a straight-line basis over the lease term.

The group as a lessor

The group recognises operating lease payments received as income in profit or loss on a straight-line basis over the lease term.

Share-based payments

For equity-settled share-based payment transactions, the group measures the goods and services received and the corresponding increase in equity at the fair value of the goods or services received. For transactions with employees, the fair value of the equity instruments granted is measured at grant date. The grant of equity instruments may be conditional on satisfying specified vesting conditions such as the completion of a specific period of service or the achievement of specific performance conditions. Vesting conditions, other than market conditions, are taken into account when estimating the number of equity instruments expected to vest. The estimate may be subsequently revised if new information indicates that the number of equity instruments expected to vest differs from the previous estimate. On vesting date, the group revises the estimate to equal the number of equity instruments that ultimately vested.

Provisions

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event, an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Warranties	Group companies recognise provisions for future expenditure required to meet the warranty obligations related to homes sold by the reporting date. The warranty period for construction work is two years from the date of delivery of the home. In general, the warranty provided by the builder covers the majority of the warranty work for which the builder also issues a letter of guarantee. Warranty costs are budgeted for minor works that are not covered by the builder's warranty or for which it is impractical to arrange a builder's warranty. Management determines the budget for warranty work for a project or project stage and estimates the related provision based on historical experience. Depending on the size of the project, the budgeted warranty costs not covered by the builder's warranty range from 0.3% to 0.8% of the construction cost. On the sale of homes, the group recognises a provision for a proportionate share of the total budget for warranty costs.
Additional fee linked to the success of a project	A provision is recognised for loan agreements linked to the outcome of the project if sales contracts have been signed and inventories have been recognised as an expense after the completion of construction of the project, but the outcome of the project is not yet known.

Possible obligations that are not likely to result in an outflow of resources or cannot be measured with sufficient reliability but which may transform into liabilities in certain circumstances are disclosed in the notes to the consolidated financial statements as contingent liabilities.

Income tax

In accordance with the Estonian Income Tax Act, the undistributed earnings (profit) of companies registered in Estonia are not subject to tax. Income tax is levied on profit distributions, including dividends.

In 2024, the income tax rate was 20% (the amount of tax payable was calculated as 20/80 of the net distribution) and regular dividend distributions were taxable at a lower, 14% rate (the amount of tax payable was calculated as 14/86 of the net dividend). From 1 January 2025, the income tax rate for dividends is 22% (the amount of tax payable is calculated as 22/78 of the net dividend). The lower, 14% tax rate has been abolished and all dividends are taxed at the same rate.

Additional income tax of 7% must still be withheld on dividends paid to individuals that were previously taxed at 14%. Income tax payable on dividends is recognised as an income tax expense in the period in which the dividends are declared. The maximum income tax liability that would arise if all of the retained earnings were distributed as dividends is disclosed in note 27.

Estonia has also decided to implement a temporary security tax, effective from 1 January 2026, which will consist of the following components:

The standard rate for VAT will increase from 22% to 24% from 1 July 2025.

The taxable income of individuals will be subject to an additional 2% tax from 2026.

Corporate profits will be subject to an additional 2% tax from 2026, which means that the total tax rate for corporate profits will be 24% (22% income tax plus 2% security tax).

The purpose of the security tax is to cover the expenditure on strengthening national defence capabilities and making other security-related investments. Companies must take into account that this tax will be paid in the form of advance payments starting from 2026, based on the profit for the preceding financial year (or, in certain cases, quarter).

Revenue

Revenue is measured based on the consideration set out in contracts with customers. The group recognises revenue when it transfers control of the goods or services to the customer. The table below provides information about the nature and timing of the satisfaction of performance obligations arising from contracts with customers and the related revenue accounting policies.

Type of product or service	Nature and timing of the satisfaction of the performance obligation and significant payment terms	Revenue accounting policy
Sale of real estate	Revenue from real estate development and sale is recognised at a point in time as the customer obtains control of the asset and the group satisfies the performance obligation when ownership is transferred. Signing the real right contract is regarded by the group as the point in time when ownership is transferred. Contracts with customers generally contain a significant financing component. If it is known at contract inception that the period between when the group transfers a promised product or service to the customer and when the customer pays for the product or service exceeds one year, the group will adjust the amount of consideration in the contract with the customer for the effects of the time value of money. When adjusting the amount of consideration for the effects of the time value of money, the group uses a discount rate that would be reflected in a separate financing transaction between the group and its customer at contract inception	Revenue from the sale of real estate is recognised at the point in time when ownership of the real estate is transferred to the customer, i.e. when the real right contract is signed between the customer and the group.
Sale of furniture, fixtures and furnishings	Revenue from the sale of furniture, fixtures and furnishings is recognised at a point in time because the customer obtains control of the assets and the group satisfies the performance obligation when ownership is transferred. According to the group' assessment, the point in time when ownership is transferred is the signature of the real right contract. No discounts or return options are offered on the sale of furniture, fixtures and furnishings.	Revenue from the sale of furniture, fixtures and furnishings is recognised at the point in time when the goods are transferred to the customer under the real right contract.
Rental income	The group recognises rental income from a lease over the period during which the property is at the disposal of the lessee in accordance with the lease terms. In the resale (passing on) of utility and property management expenses, the group acts as agent and such revenue is not presented gross but net of related expenses (the expenses are offset against the revenue). Operator and agency fees are also offset against revenue.	Rental income is recognised on a straight-line basis over the lease term. The accounting period is one month.

Significant financing component

The group has decided to apply the practical expedient provided in IFRS 15, which permits not to adjust the promised amount of consideration for the effects of a significant financing component if the group expects, at contract inception, that the period between when the group transfers a promised product or service to a customer and when the customer pays for that product or service will be less than one year.

Related parties

The group considers parties to be related if one has control of the other or can exert significant influence on the operating decisions of the other. The group's related parties include:

- the parent company and its owners;
- other group companies;
- the members of the management board;
- close family members of the above persons and companies related to them.

Segment reporting

Operating segments are determined based on the reports monitored by the group's management board, who regards the group's business operations as a single segment and assesses the performance of the segment mainly based on its revenue and operating profit, and the growth of these indicators.

Events after the reporting period

The consolidated financial statements reflect all significant events affecting the valuation of assets and liabilities that occurred between the reporting date and the date on which the financial statements were authorised for issue but are related to transactions of the reporting period or prior periods.

Subsequent events that have not been taken into account in measuring assets and liabilities but which will have a significant effect on the results of the next financial year are disclosed in the notes to the consolidated financial statements.

Note 7. Financial instruments and financial risk management

The group's activities expose it to several financial risks: credit risk, liquidity risk and market risk (including interest rate risk and currency risk). The group's overall risk management programme focuses on the unpredictability of the financial market and seeks to minimise potential adverse impacts on the group's financial operations. The group's risk management is based on the requirements of laws, regulations and International Financial Reporting Standards and supported by internal regulations. The main objectives of risk management are to ensure and maintain the group's liquidity, equity and continuity of operations. Financial risk management is the responsibility of the group's management board and the CFO.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting its obligations associated with financial liabilities as they fall due or that the group will be unable to realise its assets at market prices during a reasonable period of time. Long-term liquidity risk is the risk that the group will not have sufficient available cash or other sources of liquidity to cover its future liquidity needs in implementing its business plan and meeting its liabilities or that the group will, therefore, have to raise funds unreasonably quickly. The group's liquidity is mainly affected by the following factors:

- the ability of group entities to generate positive net operating cash flows and the volatility of those cash flows;
- maturity matching and flexibility in modifying the maturities of assets and liabilities;
- the financing structure.

Short-term liquidity is managed by monitoring the group's and group entities' cash flow forecasts on an ongoing basis to make sure that the group has sufficient liquid funds at all times. Short-term liquidity needs are primarily covered with intragroup loans.

Long-term liquidity management is based on managing the group's capital structure consistent with the agreed financing principles. In the preparatory phase of a project, where uncertainty about the future cash flows of the project is the highest, limits are set for the maximum leverage ratio. The group determines the marketability of its real estate assets on the basis of the presale rate of that real estate. According to the group's internal rules, construction will not commence before a sufficient number of the planned homes have been reserved. A presale rate that exceeds the required threshold for financing construction with a bank loan allows raising capital on more favourable terms and helps ensure that the financial liabilities assumed can be met with cash inflows from the sale of real estate.

As development costs are capitalised and recognised as inventories, the group has positive working capital consistent with its business model. It is also characteristic of the group's business model that current liabilities exceed current assets less inventories. This is because the bank loans taken to finance construction operations and the prepayments received from customers are recognised as current liabilities while the calculation does not reflect most of the expected revenue, which is received only when the real right contracts have been signed and the assets have been transferred, or the inventories to be transferred during the year.

The table below shows the key ratios describing the group's capital structure and liquidity:

	31 December 2024	31 December 2023
Current ratio	4.25	2.36
Quick ratio	0.43	0.19
Debt to capital ratio	60.4%	68.0%

Underlying formulas::
Current ratio = current assets / current liabilities
Quick ratio = (current assets – inventories) / current liabilities
Debt to capital ratio = borrowings / total liabilities and equity

According to management's estimates, the group's capital structure and liquidity are sufficient to raise additional capital and meet existing financial obligations in a timely manner.

Exposure to liquidity risk

Inventories (which account for the majority of assets and have mostly been financed by borrowings) are not exposed to liquidity risk and, therefore, it is characteristic of the group's business model that the liabilities exposed to liquidity risk (trade payables, payments related to borrowings and other payables) exceed the assets exposed to liquidity risk (cash and cash equivalents, trade receivables, loans provided, interest receivable and other receivables). Liabilities are discharged with proceeds from the sale of inventories when homes are transferred to customers under real right contracts.

Credit risk

Credit risk is the risk that a counterparty will cause a financial loss for the group by failing to discharge a contractual obligation. Financial assets exposed to credit risk consist mainly of cash at bank, trade receivables, contract assets, other receivables, loans provided and prepayments to suppliers. The carrying amount of financial and contract assets reflects the maximum credit exposure.

Cash and cash equivalents

Cash and cash equivalents consist of demand deposits with commercial banks:

(in thousands of euros)	**31 December 2024**	**31 December 2023**
Cash and cash equivalents	5,905	3,721
Total	**5,905**	**3,721**

The group keeps its available funds at local financial institutions with a sufficient credit history or with whom it has signed a loan agreement to finance construction operations. At the end of 2024, the group's cash and cash equivalents were mainly held at LHV Pank AS, Swedbank AS and Coop Pank AS (31 December 2024: 41% of the total was at LHV Pank AS, 27% at Swedbank AS and 31% at Coop Pank AS; at 31 December 2023: 55% of the total was at Swedbank AS and 43% at Coop Pank AS). At 31 December 2024, the credit rating assigned to LHV Pank AS by the credit risk agency Moody's was Baa3. Swedbank Group has been assigned credit ratings by the credit risk agencies Standard & Poor's, Moody's and Fitch and at 31 December 2024 and 31 December 2023 the ratings were above A1/A+. According to the credit risk agency Moody's, the credit rating of Coop Pank AS was Baa2 at both 31 December 2024 and 31 December 2023. Based on the credit ratings assigned to the financial institutions, the group's management estimates that the group has no significant credit risk from cash and cash equivalents.

Other financial assets exposed to credit risk

Other financial assets exposed to credit risk are trade receivables, other receivables, loans provided and prepayments to suppliers. The group's credit risk exposure to trade receivables is largely mitigated by the structure of its real estate sales transactions. As a rule, the sale of real estate is financed by partial advances from customers and ownership transfers to the buyer under a notarised real right contract, so there is no significant time difference between the transfer of ownership and the settlement of receivables. Trade receivables at 31 December 2024 and 31 December 2023 consisted of receivables from real right contracts signed at the end of the year, which were settled at the beginning of 2025 and 2024, respectively.

Market risk

Market risk is the risk that changes in market prices, such as the prices of commodities, foreign exchange rates, interest rates and the cost of capital, will affect the group's revenue or the value of its investments in financial instruments. The purpose of market risk management is to manage the group's exposures to market risk and keep the exposures within acceptable limits while optimising returns.

The value of an investment may change due to adverse market developments, such as macroeconomic changes, political or social instability, investor behaviour or other circumstances. The above factors may cause changes and volatility in real estate prices. The realisation of market risk may reduce the value of a real estate asset the group is planning to sell or cause buyers to withdraw from contracts to such an extent that the group will be unable to meet its obligations.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The group's cash flow interest rate risk arises from variable rate borrowings and is the risk that a rise in interest rates will increase the group's finance costs.

The group's exposure to interest rate risk arises from:

- the use of financial instruments with variable interest rates;
- the refinancing of liabilities on the arrival of their maturity dates;
- the raising of new financial instruments from highly volatile financial markets in a turbulent economic environment in order to execute an investment plan.

Some of the group's borrowings have fixed interest rates and are not affected by fluctuations in the money market. Some long-term bank loans are linked to six-month Euribor and thus exposed to interest rate risk. To manage interest rate risk, the group monitors changes in the money market interest rate curve, which reflects market participants' expectations of market interest rates and allows estimating movements in the interest rates of loans denominated in euros. Effect of changes in interest rate risk on finance costs:

(in thousands of euros)	Note	31 December 2024	31 December 2023
Liabilities with fixed interest rates		19,003	24,813
Liabilities with variable interest rates		28,253	13,621
Total interest-bearing liabilities	**12**	**47,257**	**38,434**

The following sensitivity analysis describes the net effect of the group's variable rate financial instruments on its net profit, assuming that interest rates rise or fall by 10 basis points.

(in thousands of euros)	Change in interest rates	31 December 2024	31 December 2023
Borrowings	-10 bp	28	14
	+10 bp	-28	-14

At 31 December 2024, the rate of six-month Euribor was 2.568% (31 December 2023: 3.861%).

According to management's estimates, the interest rates of fixed-rate liabilities correspond to the market interest rates of debt instruments with a similar risk level that are available to the group.

Currency risk

Currency risk is the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The group has no material liabilities or receivables denominated in currencies other than its functional currency (the euro).

In 2024 and 2023, 100% of all receipts and payments (costs of goods sold, operating expenses, investments, finance costs) were in euros. Since all receipts and payments are in euros and borrowings are denominated in euros, currency risk has no material impact on the group's operations.

Classification of financial instruments and their fair values

All of the group's financial assets and liabilities are either recognised in the statement of financial position or disclosed as contingent items in the notes to the consolidated financial statements. The carrying amounts of cash and cash equivalents, trade receivables, receivables from related parties, trade payables, payables to related parties and deferred income approximate their fair values and, therefore, their fair values have not been disclosed.

Trade receivables and trade payables are current items and, therefore, management has concluded that their carrying amounts approximate their fair values. According to management's estimates, the fair values of borrowings equal their carrying amounts because the current interest rates of the contracts correspond to the market interest rates. According to management's estimates, the group's risk margins have not changed significantly compared to the time the loans were obtained and the interest rates of the borrowings correspond to market terms.

Capital management

The group's capital management objectives are to generate return for shareholders, to maintain an optimum capital structure to reduce the cost of capital and to protect the group's ability to continue as a going concern. The group does this in a manner that ensures its sustainable development and credibility in the eyes of its shareholders, creditors, customers and other stakeholders.

In order to maintain or adjust its capital structure, the group may revise dividend distributions, return capital to shareholders, issue new shares and sell assets in order to reduce liabilities.

The group uses both debt and equity capital to finance its business operations. Debt capital is raised based on the following principles:

- in the preparatory phase of a project, debt capital raised in the form of loans may extend to no more than 50–70% of the cost of the plot, depending on the collateral position of the loan,
- construction work, as a rule, will not commence before the presale rate of the project is sufficient.

In designing its capital structure and diversifying risks, the group monitors the equity ratio (equity to assets), the equity ratio adjusted for construction loans (long-term target: 40%) and the net debt to capital ratio. Management considers the adjustment for construction loans to be more appropriate given the dynamics and risk characteristics of these loans (generally high coverage by sales contracts at the peak of the loan balance). The tables below reflect the values of the equity ratio, the adjusted equity ratio and the net debt to capital ratio with underlying calculations:

(in thousands of euros)	**31 December 2024**	**31 December 2023**
Total equity attributable to owners of the parent	18,237	18,123
Total assets	78,298	68,559
Equity ratio	**23.3%**	**26.4%**

(in thousands of euros)	**31 December 2024**	**31 December 2023**
Total equity attributable to owners of the parent	18,237	18,123
Total assets	78,298	68,559
Less construction loans	-13,033	-11,983
Total adjusted assets	65,265	56,576
Adjusted equity ratio	**27.9%**	**32.0%**

(in thousands of euros)	**31 December 2024**	**31 December 2023**
Borrowings	47,257	38,434
Less cash and cash equivalents	-5,905	-3,721
Net debt	41,352	34,713
Total equity attributable to owners of the parent	18,236	18,122
Net debt and total equity attributable to owners of the parent	59,588	52,835
Net debt to capital ratio	**69.4%**	**65.7%**

Note 8. Trade and other receivables

(in thousands of euros)	Note	31 December 2024	31 December 2023
Trade receivables	17	1,239	1,272
Loans provided		15	15
Interest receivable		9	9
Other receivables		8	30
Total		**1,270**	**1,326**

Trade receivables consist of receivables from real right contracts signed at the end of the reporting period which were settled at the beginning of 2025 in line with the terms of the underlying contracts.

Credit risk, market risk and credit losses due to impairment

For information about the group's credit and market risks and credit losses on receivables, see note 7.

Note 9. Prepayments

(in thousands of euros)	31 December 2024	31 December 2023
Prepayments to suppliers	72	145
Prepayments to suppliers for inventories	0	30
Prepaid expenses	51	36
Prepaid taxes	262	109
Total	**385**	**321**

Note 10. Inventories

The table below shows inventories grouped by the status and chronological order of the development projects of the group's subsidiaries. For multi-phase development projects where the phases have different statuses, inventories are presented in the group of the latest status of the development phase. Multi-phase projects where the construction of an earlier phase has been completed, but a later phase is either under construction or its construction has not yet started, are presented in 'Partly completed and partly under construction'. As an exception, the inventories of the Luuslangi project as at 31 December 2024 are presented in 'Construction completed', as the majority of the inventories are related to buildings that have been completed and the construction of the next phases has not yet started.

(in thousands of euros)	31 December 2024	31 December 2023
Construction completed	5,734	10,443
Partly completed and partly under construction	13,775	20,986
Under construction	28,590	0
Building design	8,092	18,194
Development plans and other inventories	11,710	12,489
Total	**67,902**	**62,112**

All borrowing costs directly attributable to the financing of the construction of inventories are capitalised and included in the cost of the inventories. The capitalisation rate for borrowing costs is 100%. Capitalisation begins when a project reaches the development stage and ends when the homes are ready for sale and are recognised as an expense as described in note 6. Borrowing costs on construction loans relating to homes completed but not yet sold are recognised as an expense as incurred. In connection with the completion of construction and homes becoming ready for sale in various projects, interest expense of 588 thousand euros was recognised directly in finance costs in 2024 (2023: 0 euros). In the case of multi-phase projects, the capitalisation of other borrowing costs of interest-bearing liabilities that are attributable to all phases ceases when the construction of the buildings in the last phase of the project is completed. The movements in the balance of capitalised interest included in inventories are described in note 26.

A proportionate share of the parent's staff costs and operating expenses of 1,487 thousand euros in total (2023: 1,235 thousand euros) that were related to the subsidiaries' development activities was also capitalised and included in the cost of inventories in 2024. The decrease in inventories, which is recognised at the same time as revenue is recognised, was recognised in the cost of sales in an amount of 741 thousand euros (2023: 912 thousand euros). See note 6 for further information about inventory accounting policies.

In 2024, inventories of 21,867 thousand euros (2023: 31,464 thousand euros) were recognised as an expense in the cost of sales (note 18). See note 6 for further information about inventory accounting policies.

Management assesses the business plan for each development project that has been updated for new forecasts (including costs, revenues, progress of sales and provisions for risks) on a regular basis in order to manage cash flows and profitability and to estimate the need for recognising asset write-downs. Management has additionally estimated the need for inventory write-downs by carrying out a stress test for each development project. In the course of the tests, management analysed the effect of a decrease in the sales prices of apartments not yet sold on the profit of the project. The tests were conducted assuming that there would be a proportionate decrease in costs not related to contracts.

In 2024, the group wrote down the inventories of the Magdaleena 4 development project by 30 thousand euros based on the project's net realisable value (NRV). No previously recognised write-downs were reversed. In 2023, no inventories were written down and no previously recognised write-downs were reversed.

The total carrying amount of assets classified as inventories that have been mortgaged in order to secure loans was 60,162 thousand euros at 31 December 2024 (31 December 2023: 54,297 thousand euros). Further information about assets put up as loan collateral is provided in note 12.

An unsold commercial space in the Väike-Tallinn project was reclassified from inventories to investment properties in the second quarter of 2024 (note 11).

Note 11. Investment properties

(in thousands of euros)	Note	
Carrying amount at 31 December 2023		**0**
Reclassifications from inventories to investment properties	10	1,064
Change in fair value		286
Carrying amount at 31 December 2024		**1,350**

Investment properties consist of a commercial space in the Väike-Tallinn project, which has been leased out to the operator to provide accommodation. In 2024, the property generated rental income of 121 thousand euros (note 6) and net operating income (NOI) of 103 thousand euros.

We measured the fair value of the investment property using the discounted cash flow method, taking into account the forecast NOI. The discount rate applied was 8.5%. An independent expert's valuation report prepared in spring 2024, supports the fair value measurement.

At 31 December 2024, the commercial space classified as investment property was mortgaged to secure loans (31 December 2023: the asset was classified as an inventory item (note 10)).

Note 12. Borrowings

In the preparatory stage of projects, the group uses mortgage loans raised 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, they are used throughout the project, and 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 loan principal. Group entities have raised investor loans from various non-institutional investors, including related parties. In addition, the group has issued bonds to investors with a similar profile as well as to AS LHV Varahaldus and in 2024 the group also carried out a public bond offering. The group uses bank loans to co-finance the projects in the construction phase.

Loan type (in thousands of euros)	Interest rate	Balance at 31 Dec 2024	*Incl. from related parties*	Repayable Within 1 year	2–5 years	Over 5 years
Bank loans, construction	4.6-4.9%+6M Euribor	13,033	*0*	0	13,033	0
Bank loans, development	3.9-7.95%+6M Euribor	15,173	*0*	831	14,342	0
Bonds	8.5-10.5%	11,850	*878*	4,000	7,850	0
Investor loans	8.0-14.0%*	7,153	*5,358*	1,565	5,588	0
Total		**47,209**	***6,238***	**6,396**	**40,813**	**0**

** The interest on loans received by Liven Kodu 5 OÜ consists of a fixed interest accruing at the rate of 8% per year and an additional fee which depends on the success of the project; see below for further information.*

Loan type (in thousands of euros)	Interest rate	Balance at 31 Dec 2023	*Incl. from related parties*	Repayable 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 accruing at the rate of 8% per year and an additional fee which depends on the success of the project; see below for further information.*

In addition to the loans set out in the table above, borrowings include lease liabilities, which amounted to 48 thousand euros at 31 December 2024 (31 December 2023: 71 thousand euros). All loans received as at 31 December 2024 and 31 December 2023 are denominated in euros.

In 2024, the group received new loans of 32,199 thousand euros (2023: 30,147 thousand euros) and made loan repayments of 24,327 thousand euros (2023: 26,286 thousand euros). Out of total loan repayments, 14,233 thousand euros was paid by buyers directly to the bank (2023: 22,125 thousand euros). Interest payments made in 2024 amounted to 5,041 thousand euros (2023: 2,772 thousand euros).

Investor loans and bonds include loans from related parties. Further information about these is disclosed in note 24. The classification of loans into current and non-current is based on their contractual maturity dates.

Green bonds listed on Nasdaq Tallinn Stock Exchange

In May 2024, Liven AS held a public offering of green bonds to finance the development of new and existing projects. The capital raised can only be used by Liven to finance projects that meet the criteria outlined in Liven's Green Financing Framework.

In the public offering, Liven issued 6,200 bonds, with a nominal value of 1,000 euros per bond, maturing on 23 May 2028 and with a fixed interest rate of 10.5%, payable quarterly.

As the bonds (Liven 10.5% 4Y green bond; ISIN: EE3300004332) are listed on the Baltic Bond List of the Nasdaq Tallinn Stock Exchange, the following financial covenants apply to Liven AS until the bonds are fully redeemed:

- The group's adjusted equity ratio[2] must be more than 20%. At 31 December 2024: 27.9%
- The group's adjusted leverage ratio[3] must be less than 3.0. At 31 December 2024: 1.9.
- The company must guarantee at all times that available funds exist in its bank accounts to cover interest due on at least two subsequent interest payment dates, i.e. 326 thousand euros. The unconsolidated cash balance of Liven AS at 31 December 2024: 1,274 thousand euros.

[2] Adjusted equity ratio (%) = total equity attributable to owners of the parent / (total assets – construction loans)
[3] Adjusted leverage ratio = (total borrowings – construction loans) / total equity attributable to owners of the parent

Investor loan for Liven Kodu 5 OÜ

Under the loan agreements signed by Liven Kodu 5 OÜ in 2017, interest on the loan consists of a fixed interest accruing at the rate of 8% (capitalised until the maturity of the agreement) and an additional fee which is linked to the success of the project and calculated on the completion of the project. The borrower is also entitled to make advance payments of the additional fee. The amount of the additional fee depends on the terms agreed for measuring success, which take into account the profitability and cash flows of the entire project as well as their timing, including any advance payments of the additional fee, and the surpassing of the agreed minimum success level.

In connection with the completion of construction and the expected completion of the project in 2024, management estimated, on the basis of the business plan as at 31 December 2023, that the potential amount of the additional interest liability linked to the success of the project and payable on the investor loan of Liven Kodu OÜ was 2,355 thousand euros (recognised as a provision at 31 December 2023). Taking into account that the project and the loan agreement would soon end, and based on the results so far, management's estimate of the additional interest liability linked to the success of the project was 399 thousand euros lower at 31 December 2024. During the year, additional interest payments of 1,931 thousand euros were made and the estimated amount of the additional interest liability at 31 December 2024 was 46 thousand euros (recognised as a provision at 31 December 2024). Further information about the loan agreement that matured after the reporting date is provided in note 28.

Collateral and guarantees

At 31 December 2024, the total carrying amount of the group's inventories mortgaged as loan collateral was 60,162 thousand euros (31 December 2023: 54,297 thousand euros). Further information about inventories is provided in note 10. The shares in Liven Kodu 5 OÜ and Liven Kodu 10 OÜ were pledged to creditors both at 31 December 2024 and 31 December 2023.

At 31 December 2024, Liven AS had issued the following guarantees to creditors:

- a guarantee for the settlement of the interest liabilities arising from the loan agreement of Liven Kodu 16 OÜ in an amount of 186 thousand euros;
- a guarantee for the settlement of liabilities arising from the loan agreement of Liven Kodu 18 OÜ in an amount of 408 thousand euros;
- a guarantee for the settlement of liabilities arising from the loan agreement of Liven Kodu 21 OÜ in an amount of 806 thousand euros.

In 2024, Liven Kodu 12 OÜ, a group company, issued a guarantee to the Tallinn City Urban Environment and Public Works Department, committing, jointly with the apartment buildings at Jalami 7 and 9, to create greenery for a hiking trail and construct ponds.

Liven AS has additionally guaranteed the self-financing required by the loan agreements signed by the subsidiaries by committing to give the subsidiaries loans of the required amounts where necessary.

Note 13. Trade and other payables

(in thousands of euros)	Note	31 December 2024	31 December 2023
Trade payables		3,005	1,526
Deferred income		6,093	2,739
Other payables			
Payables to employees		163	118
Taxes payable	14	1,248	1,963
Interest payable	24	310	1,013
Miscellaneous payables		415	1,763
Total other payables		**2,137**	**4,857**
Total current trade and other payables		**11,234**	**9,121**
Deferred income		0	28
Interest payable		762	97
Lease liabilities		512	331
Other payables		125	13
Total non-current trade and other payables		**1,398**	**469**

Deferred income as at 31 December 2024 and 31 December 2023 comprises deferred income received from customers in connection with housing development projects. Other payables at 31 December 2024 consist mainly of accrued payables related to buildings for amounts not yet invoiced by general contractors and furniture dealers of 251 thousand euros (31 December 2023: 1,437 thousand euros). The non-current lease liabilities are related to a five-year lease of an office in Tallinn and a five-year lease of an office in Berlin. Current interest liabilities at 31 December 2023 include items of 847 thousand euros, which were converted to non-current liabilities at the beginning of 2024. Further information about deferred income is provided in note 17. Further information about payables to related parties is disclosed in note 24.

Note 14. Taxes payable

(in thousands of euros)	Note	31 December 2024	31 December 2023
Value added tax		1,015	1,822
Personal income tax		74	41
Income tax on fringe benefits		8	5
Social security tax		135	88
Funded pension contributions (2nd pillar)		7	3
Unemployment insurance contributions		7	4
Other taxes		2	0
Total	**13**	**1,248**	**1,963**

Note 15. Share capital and reserves

Share capital and share premium

(in thousands of euros)	31 December 2024	31 December 2023
Share capital	1,190	1,183
Share premium	9,562	9,339
Total share capital and share premium	**10,752**	**10,522**
Number of shares issued	12,000	11,831
Par value of a share (in euros)	0.1	0.1

The Estonian Commercial Code sets the following requirements to the share capital of companies registered in Estonia:

- the minimum share capital of a limited company defined as *aktsiaselts* (AS) under Estonian law must amount to at least 25 thousand euros,
- the net assets of a limited company defined as *aktsiaselts* (AS) under Estonian law must amount to at least half of its share capital but not less than 25 thousand euros.

The size of share capital or the minimum and maximum amount of share capital are specified in the company's articles of association; the minimum share capital must be at least one fourth of the maximum share capital.

According to the articles of association of Liven AS in force at 31 December 2024 and 31 December 2023, the company's share capital consists of ordinary shares with a par value of 0.1 euros each. The minimum amount of share capital is 1,000 thousand euros (31 December 2023: 1,000 thousand euros) and the maximum amount of share capital is 4,000 thousand euros (31 December 2023: 4,000 thousand euros) and within those limits share capital can be changed without amending the articles of association.

Transactions with share capital

In the third quarter of 2024, the supervisory board of Liven AS decided to increase the share capital by 15 thousand euros, from 1,185 thousand euros to 1,200 thousand euros, by issuing 145,758 new ordinary shares with a nominal value of 0.1 euros each, in accordance with an earlier decision of the general meeting. The shares were issued without a premium and were fully paid for by cash contributions.

The share capital increase and the issue of new shares were carried out in order to comply with the terms of the share option programmes LEOP and LEOP 2024–2027. Of the new shares, 47,495 shares were issued directly to the beneficiaries of the LEOP options, 57,057 shares are intended to be used to comply with the terms of LEOP and 41,206 shares were issued to create an option pool for LEOP 2024–2027.

To enable the participants in the share option programme to exercise their options, Liven AS issued 82,084 new shares in 2024 (2023: 72,403) with a par value of 0.1 euros each, increasing the share capital by 8 thousand euros (2023: 7 thousand euros).

No shares were issued in 2024, with the exception of those related to the employee share option programme described above. In March 2023, Liven AS finalised a direct placement, issuing 243,777 new shares and raising 1,046,291 euros of new equity. The direct placement was carried out at a price of 4.292 euros per share (with a par value 0.1 euros and a share premium of 4.192 euros per share).

Own (treasury) shares

In 2019, a share option programme (Liven Employee Ownership Program, LEOP) was developed for the group's employees and key partners in connection with which 200,001 shares with a carrying amount of 20,000 euros were repurchased in 2019. As the investment period under LEOP ended at the end of 2022, no new shares were sold under the programme in 2023 or 2024 and there was no related increase in share premium.

In 2024, the shareholders approved a new share option programme for employees (LEOP 2024–2027). To comply with the terms of LEOP and create an option pool for LEOP 2024–2027, a total of 98,263 new shares with a nominal value of 0.10 euros each were issued to Liven Kodu OÜ, a group company, after which the shares were immediately transferred to Liven AS.

To enable employees to exercise the options under LEOP and participate in LEOP 2024–2027, a total of 17,302 own shares were sold to the employees in 2024 and, as a result, retained earnings increased by 21 thousand euros (2023: 3,000 shares were sold to enable the exercise of the options under LEOP and, as a result, retained earnings increased by 5 thousand euros). The par value of the shares sold during the period was 0.1 euros per share and the weighted average share premium was 3.00 euros per share (2023: 0.1 euros per share and 0.00 euros per share, respectively).

	Number of shares
Number of own shares held at 31 December 2019	**156,901**
Sale of own shares	42,809
Number of own shares held at 31 December 2020	**114,092**
Sale of own shares	60,254
Number of own shares held at 31 December 2021	**53,838**
Sale of own shares	42,364
Number of own shares held at 31 December 2022	**11,474**
Sale of own shares	3,000
Number of own shares held at 31 December 2023	**8,474**
Sale of own shares	17,302
Acquisition of own shares	98,263
Number of own (treasury) shares held at 31 December 2024	**89,435**

Further information about share-based payments is provided in note 16.

Reserves

The following table provides an overview of the reserves reported in equity.

(in thousands of euros)	31 December 2024	31 December 2023
Statutory capital reserve	118	115
Share option reserve	317	363
Total	**435**	**478**

Share option reserve

The group recognises the services received in share-based payment transactions as the services are rendered. The corresponding increase in equity is recognised in the 'Share option reserve'.

Statutory capital reserve

The statutory capital reserve is set up using annual net profit transfers as well as other transfers which are made on the basis of the law or the articles of association. The amount of the capital reserve is set out in the articles of association and it may not be less than one tenth of share capital. Every year, at least one twentieth of net profit must be transferred to the capital reserve. When the capital reserve reaches the level set out in the articles of association, net profit transfers to the capital reserve are discontinued.

Based on the resolution of the general meeting, the capital reserve may be used to cover losses, if losses cannot be covered with the company's unrestricted equity, and to increase share capital. The capital reserve may not be used to make distributions to shareholders.

At 31 December 2024 and 31 December 2023, the capital reserve was smaller than required by the Estonian Commercial Code.

Dividend distributions

In 2024, the parent company made a dividend distribution of 635 thousand euros (2023: 416 thousand euros) using the group's profit for 2023 on the basis of the group's dividend policy. According to the dividend policy approved by the shareholders, 25% of profit before tax for the previous year is distributed as dividends on an annual basis. The distribution and timing of the dividend depend on the availability of sufficient funds and are subject to the requirement that the dividend distribution must not jeopardise the group's ability to continue as a going concern and to make the planned investments.

The dividend distribution made in spring 2024 amounted to 72.2% of the profit before tax for 2023 (2023: dividend distribution amounted to 12.5% of the profit before tax for 2022; however, the management board was unable to make the planned proposal for an additional dividend distribution of 12.5% of the profit for 2022 in the second half of 2023 as the loss on phase I of the Magdaleena development project was larger than expected and the commercial space at Türi 4 was still unsold).

Information about the group's retained earnings and contingent income tax liability is provided in note 27.

Note 16. Share-based payments

Option programme (equity-settled)

In 2019, a share option programme (Liven Employee Ownership Program, LEOP) was implemented to provide the group's employees and key partners with an opportunity to contribute to Liven's share capital and thereby benefit from the group's success. In 2024, a new Liven Employee Ownership Program (LEOP 2024–2027) was launched.

The main terms of both LEOP programmes are as follows:

Option type	Vesting conditions	Term of options
A options	Three years after the grant date of the option.	Three years and one calendar month after successful satisfaction of vesting conditions.
B options	Three years after the grant date of the option and the achievement of the financial targets set out in the option contract.	Three years and one calendar month after successful satisfaction of vesting conditions.

In 2021, the general meeting approved an option programme with a term until the end of 2024. Under this programme, the recipients of options have personal targets and the programme also differs in other respects from LEOP. The term of the options is four years and their vesting term is a minimum of three years after the date of signing the option contract.

Determination of fair value and the estimates used to measure fair value

The fair value of options was measured using the Black-Scholes-Merton model. In accordance with IFRS 2, service and performance-based vesting conditions were not taken into account in measuring fair value. The weighted average inputs used to measure the fair values of the options granted in 2024 and 2023 were as follows:

	Options with personal targets		LEOP 2024-2027 A and B options	
	2024	**2023**	**2024**	**2023**
Exercise price (in euros)	-	3.04	0.10	-
Term of options (in months)	-	48	36	-
Expected volatility	-	24.1%	18.5%	-
Risk-free interest rate	-	2.5%	2.0%	-
Fair value of the issued share (in euros)	-	3.82	4.05	-

The exercise price and term of the options were determined based on the underlying option contracts.

Volatility is the unweighted average volatility of the share prices of benchmark companies listed on the Nasdaq Tallinn Stock Exchange in the three years preceding the measurement.

The risk-free interest rate is the yield of the 3-year German government bond, which was in the range of 1.9% to 2.9% in 2024 (2023: 2.2% to 3.0%).

The weighted average share price was found using the discounted cash flow method and it equals the share price recorded in the share sale agreement.

Table of movements in options

The table shows the options granted under the programmes, the options exercised in 2024, the options which expired in 2024 without being exercised and the weighted average exercise prices.

Time of granting the options	**Number of options granted:**			
	LEOP options		**Options with personal targets**	
	A options	**B options***	**Options***	**Total**
Outstanding at 31 December 2019	**16,800**	**Up to 36,075**	**-**	**52,875**
Granted in 2020	11,030	Up to 28,357	-	39,387
Outstanding at 31 December 2020	**27,830**	**Up to 64,432**	**-**	**92,262**
Granted in 2021	23,582	Up to 48,941	120,000	192,523
Outstanding at 31 December 2021	**51,412**	**Up to 113,372**	**120,000**	**284,784**
Granted in 2022	15,629	Up to 28,023	30,000	73,652
Expired in 2022	-	-	20,000	-20,000
Outstanding at 31 December 2022	**67,041**	**Up to 141,395**	**130,000**	**338,436**
Granted in 2023	-	-	117,500	117,500
Expired in 2023	-3,975	-6,262	-25,650	-35,887
Exercised in 2023	-22,207	-53,196	-	-75,403
Outstanding at 31 December 2023	**40,859**	**81,937**	**221,850**	**344,646**
Granted in 2024	2,830	4,245	-	7,075
Expired in 2024	-	-	-30,000	-30,000
Exercised in 2024	-23,306	-49,602	-	-72,908
Outstanding at 31 December 2024	**20,383**	**36,580**	**191,850**	**248,813**

**The maximum number of share options that may be granted when the financial targets set out in the option contracts are met.*

The exercise price of all options granted under LEOP was 0.1 euros per share. The exercise price of options exercisable as at 31 December 2024 was 0.1 euros (31 December 2023: 0.1 euros) and the weighted average remaining life of the options was 0.9 years (31 December 2023: 0.8 years).

The exercise prices of options with personal targets vary. In 2024, such options were not granted (2023: 3.08 euros per share).

See note 15 for further information about share capital.

Expenses recognised in profit or loss

Expenses related to the grant of share options have been recognised in staff costs within 'Salary expenses' in an amount of 159 thousand euros (2023: 183 thousand euros).

Note 17. Revenue

(in thousands of euros)	2024	2023
Sale of real estate	26,142	34,679
Sale of furniture and furnishings	814	846
Rental income	310	240
Total revenue	**27,266**	**35,765**

In 2024 and 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.

Balances of contracts with customers

The table below provides an overview of assets and liabilities from contracts with customers:

(in thousands of euros)	Note	31 December 2024	31 December 2023
Trade receivables	8	1,239	1,326
Deferred income	13	6,093	2,739

Revenue for 2024 resulted from the sale of real estate in four development projects in Tallinn:

- Uus-Meremaa (developer: Liven Kodu 5 OÜ). During the year, the group sold 27 homes in the 2 buildings completed in Lahepea street at the end of 2023 under real right contracts. At 31 December 2024, 2 apartments and 1 commercial space in the development were still for sale.
- Iseära (developer: Liven Kodu 16 OÜ). During the year, the group sold 27 homes in the 5 terraced houses completed in phase II in the village of Harkujärve under real right contracts. At 31 December 2024, 36 homes in the terraced houses and apartment buildings of the next phase had been sold under contracts under the law of obligations.
- Magdaleena phase II (developer: Liven Kodu 19 OÜ). At the end of 2023, the group sold 5 homes in the building completed at Magdaleena 4. At 31 December 2024, 2 homes in the development were still for sale.
- Luuslangi (developer: Liven Kodu 12 OÜ). In phase I of the project, a total of 80 homes were completed in 3 buildings in Jalami street at the end of 2023. In 2024, the group sold 33 homes in the development under real right contracts and the 9 last homes in this phase are still for sale.
- Deferred income comprises deferred income received from customers for real estate development activities for which revenue is recognised on the transfer of the real estate to the customer (on the conclusion of the real right contract). According to management's estimates, the deferred income which reflects performance obligations not yet satisfied will be taken to revenue in accordance with the budgeted completion schedules of the projects.

Note 18. Cost of sales

(in thousands of euros)	Note	2024	2023
Construction, fitout and furnishing expenses		17,626	25,397
Plot acquisition and preparation costs		763	1,687
Staff costs	21	1,508	1,400
Financing charges		2,677	2,999
Building design expenses		283	463
Connection fees		168	302
Depreciation and amortisation		83	32
Other costs		321	401
Total		**23,429**	**32,681**

See note 2 for the basis of preparation of the financial statements and note 6 for further information about the recognition of inventories in the cost of sales.

Note 19. Distribution costs

(in thousands of euros)	Note	2024	2023
Media costs		529	347
Staff costs	21	371	276
Depreciation and amortisation		104	82
Other costs		414	317
Total		**1,418**	**1,022**

Note 20. Administrative expenses

(in thousands of euros)	Note	2024	2023
Staff costs	21	539	440
Training and other staff-related expenses		96	142
Business travel and transport expenses		49	130
Office expenses		80	129
Accounting and audit expenses		339	231
Legal fees and consulting expenses		65	65
Depreciation and amortisation		172	34
Other expenses		79	30
Total		**1,419**	**1,200**

Note 21. Staff costs

(in thousands of euros)	2024	2023
Salary expenses	1,868	1,644
Social security and unemployment insurance charges	551	471
Total	**2,418**	**2,115**
Average number of employees converted to full-time equivalent	31	27
Incl. people working under employment contracts	28	24
Incl. people working under board member's service contracts	3	3

Note 22. Segment reporting

Management has determined operating segments based on the reports monitored by the management board of Liven AS, which regards the group's business operations as a single segment and assesses the performance of the segment mainly based on its revenue and operating profit, and the growth of these indicators. In 2024 and 2023, the only geographical area where revenue was generated was Estonia.

(in thousands of euros)	Note	2024	2023
Revenue	17	27,266	35,765
Operating profit		**1,287**	**867**

Note 23. Investments in subsidiaries

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

Name of subsidiary	Core business	Domicile	Interest, % 31 Dec 2024	Interest, % 31 Dec 2023
Liven Kodu OÜ	Development of building projects	Estonia	100	100
Liven Kodu 5 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 6 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 10 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 11 OÜ	Development of building projects	Estonia	-	100
Liven Kodu 12 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 14 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 15 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 16 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 17 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 18 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 19 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 20 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 21 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 22 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 23 OÜ	Development of building projects	Estonia	100	100
Liven Kodu 24 OÜ	Development of building projects	Estonia	100	100
Liven Wohnungsbau GmbH	Development of building projects	Germany	100	100
Liven HW11 GmbH	Development of building projects	Germany	100*	100*

** 100% ownership interest through Liven Wohnungsbau GmbH, from January 2024 the business name is Liven HW11 GmbH (previous name Liven Hermsdorf GmbH).*

Changes in group structure

The merger of Liven Kodu 11 OÜ with Liven Kodu OÜ was completed in 2024 (2023: no changes in structure).

Note 24. Related party disclosures

For the purposes of these consolidated financial statements, related parties include:

- the group's parent Liven AS and shareholders that have significant influence over Liven AS;
- key management personnel (members of the supervisory and management boards), their close family members and companies under their control or significant influence.

The group considers parties to be related when one controls the other or has significant influence over the business decisions of the other. Significant influence is presumed to exist when a person holds more than 10% of voting power.

Balances with related parties (in thousands of euros)	31 December 2024	31 December 2023
Current interest liabilities		
Legal persons with a significant shareholding	9	141
Executive and higher management and companies under their significant influence	47	706
Total current payables to related parties	**56**	**847**
Non-current interest liabilities		
Legal persons with a significant shareholding	89	9
Executive and higher management and companies under their significant influence	483	47
Total non-current payables to related parties	**573**	**56**

Transactions with related parties (in thousands of euros)	2024	2023
Legal persons with a significant shareholding		
Revenue	12	728
Services purchased	0	0
Interest paid*	45	88
Total	**57**	**816**
Executive and higher management and companies under their significant influence		
Services purchased	12	20
Interest paid*	129	263
Total	**141**	**282**

** The companies of the Liven AS group capitalise the borrowing costs associated with the loans taken to finance building development projects and include them in the cost of inventories until the assets are completed and the homes are sold under real right contracts.*

No loss allowances were recognised for receivables from related parties in 2024 or 2023. Revenue for 2024 includes apartments sold and delivered to related parties in development projects completed by the group.

Changes in borrowings from related parties (in thousands of euros)	2024	2023
Borrowings from related parties at 1 January	**7,480**	**6,765**
Loans received		
Legal persons with a significant shareholding	140	256
Executive and higher management and companies under their significant influence	338	2,817
Total loans received	**478**	**3,073**
Repayments of loans received		
Legal persons with a significant shareholding	-682	-325
Executive and higher management and companies under their significant influence	-2,113	-2,250
Total repayments of loans received	**-2,795**	**-2,575**
Payments offset against accrued (capitalised) interest		
Legal persons with a significant shareholding	196	53
Executive and higher management and companies under their significant influence	877	165
Total payments offset against accrued (capitalised) interest	**1,073**	**218**
Borrowings from related parties at 31 December	**6,236**	**7,480**

All borrowings from related parties as at 31 December 2024 and 31 December 2023 were denominated in euros. Loans received from related parties have fixed interest rates, which are in the range of 8–14% (31 December 2023: 8–14%). Further information about borrowings is provided in note 12.

Other transactions with related parties

Transactions with share capital are described in note 15 and further information about investments in subsidiaries is provided in note 23.

In 2024, the remuneration of the members of the management board amounted to 248 thousand euros (2023: 206 thousand euros). The members of the supervisory board were not remunerated for their work on the board in 2024 and 2023. A member of the management board that is removed from office early or whose contract is not extended is entitled to severance pay equal to six months' remuneration (a contingent liability). The maximum possible severance pay liability at 31 December 2024 was 136 thousand euros (31 December 2023: 111 thousand euros).

Note 25. Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to owners of the parent by the weighted average number of ordinary shares. Diluted earnings per share are calculated in the same way, but the weighted average number of ordinary shares is increased by the number of dilutive potential ordinary shares.

(number of shares)	2024	2023
Weighted average number of ordinary shares	11,899,164	11,753,479
Share options at period-end	248,813	344,646
Weighted average number of ordinary shares including the number of dilutive potential ordinary shares	12,147,977	12,098,125

(in thousands of euros)	2024	2023
Net profit attributable to owners of the parent	558	775
Basic earnings per share	0.047	0.066
Diluted earnings per share	0.046	0.064

Note 26. Other adjustments

(in thousands of euros)	Note	2024	2023
Capitalisation of interest expense as part of the cost of inventories		3,474	3,271
Reclassifications from inventories to investment properties	10, 11	-1,064	0
Adjustment of provisions	12	-399	0
Non-cash transactions		214	0
Share-based payment expense		0	89
Other adjustments		-72	-27
Total other adjustments		**2,153**	**3,244**

Line item 'Capitalisation of interest expense as part of the cost of inventories' includes accrued non-cash interest expense capitalised as part of the cost of inventories, which is related to mezzanine-type investor loans. See notes 6 and 10 for further information about the accounting policies for borrowing costs and the capitalisation of borrowing costs as part of the cost of inventories.

Note 27. Contingent liabilities

Contingent severance pay liability to the members of the management board

A member of the management board that is removed from office early or whose contract is not extended is entitled to severance pay equal to six months' remuneration (a contingent liability). The maximum possible severance pay liability at 31 December 2024 was 136 thousand euros (31 December 2023: 111 thousand euros).

Contingent income tax liability

The group's total retained earnings as at the reporting date amounted to 7,049 thousand euros (31 December 2023: 7,122 thousand euros). The maximum income tax liability that could arise if all of the retained earnings as at the reporting date were distributed as dividends is 1,551 thousand euros (31 December 2023: 1,424 thousand euros) and the maximum amount that could be distributed as the net dividend is 5,498 thousand euros (31 December 2023: 5,698 thousand euros).

Note 28. Events after the reporting period

In January 2025, Liven AS issued a guarantee of 1,249 thousand euros, effective until 29 January 2032, to the Tallinn City Property Department under an agreement signed by Liven Kodu 10 OÜ to cover the costs related to the construction works at Tallinn Meelespea kindergarten.

In February 2025, Liven Kodu 5 OÜ and the creditors entered into an agreement to terminate the investor loan, and the last repayments of the investor loan received by Liven Kodu 5 OÜ were made during the first quarter.

In March 2025, Liven Kodu 22 OÜ and Coop Pank AS entered into a long-term loan agreement for 1,560 thousand euros to partially refinance the previous financing of the project. Liven AS also provided a guarantee to Coop Pank AS for the loan amount. The presale of the Olemus project, to be developed by Liven Kodu 22 OÜ, also started in March 2025.

In March 2025, a public offering of series II green bonds was made under the previous bond programme of Liven AS, in which Liven offered up to 4,000 unsecured bonds with a nominal value of 1,000 euros, a redemption date of 19 March 2029 and a fixed interest rate of 9.0% per annum, payable quarterly. The 871 investors who participated in the offering subscribed for a total of 8,301 bonds, resulting in an oversubscription of 2.1 times. As a result of the oversubscription, Liven's management board decided to increase the size of the offering to 6,200 bonds, i.e. to 6,200 thousand euros.

Note 29. Parent company's primary financial statements

In accordance with the Estonian Accounting Act, the notes to the consolidated financial statements have to include the primary financial statements of the consolidating entity (the parent). The primary financial statements of the parent, presented on the following pages, have been prepared using the same accounting policies that were applied in the preparation of the consolidated financial statements except that in the parent's primary financial statements investments in subsidiaries are measured using the cost method.

Statement of financial position

(in thousands of euros)	31 December 2024	31 December 2023
Current assets		
Cash and cash equivalents	1,274	511
Trade and other receivables	6,706	4,361
Prepayments	40	23
Inventories	3	5
Total current assets	**8,023**	**4,900**
Non-current assets		
Investments in subsidiaries	11,046	168
Trade and other receivables	10,941	19,651
Prepayments	18	0
Property, plant and equipment	332	352
Intangible assets	401	296
Right-of-use assets	413	395
Total non-current assets	**23,150**	**20,862**
TOTAL ASSETS	**31,174**	**25,762**
Current labilities		
Borrowings	133	13
Trade and other payables	845	500
Total current liabilities	**978**	**513**
Non-current liabilities		
Borrowings	6,373	382
Trade and other payables	511	512
Total non-current liabilities	**6,884**	**894**
Total liabilities	**7,862**	**1,407**
EQUITY		
Share capital	1,200	1,183
Share premium	9,547	9,327
Own (treasury) shares	-9	-1
Share option reserve	317	363
Statutory capital reserve	118	115
Retained earnings (prior periods)	12,735	8,697
Loss/profit for the year	-597	4,671
Total equity	**23,311**	**24,355**
TOTAL LIABILITIES AND EQUITY	**31,173**	**25,762**

Statement of comprehensive income

(in thousands of euros)	2024	2023
Revenue	2,427	5,094
Cost of sales	-2,202	-1,403
Gross profit	**226**	**3,691**
Distribution costs	-662	-411
Administrative expenses	-1,091	-1,038
Other operating income	26	6
Other operating expenses	-21	-30
Operating loss/profit	**-1,522**	**2,218**
Loss from investments in subsidiaries	-2,080	0
Finance income	3,591	2,640
Finance costs	-563	-82
Total finance income and finance costs	**948**	**2,558**
Loss/profit before tax	**-575**	**4,776**
Income tax expense	-23	-104
Net loss/profit for the year	**-597**	**4,672**

Statement of cash flows

(in thousands of euros)	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss/profit	**-1,522**	**2,218**
Adjustments for:		
Depreciation, amortisation and impairment losses	*315*	*147*
Gains and losses on sale of property, plant and equipment and intangible assets	*1*	*24*
Other adjustments	*636*	*205*
Total adjustments	**952**	**376**
Change in receivables and prepayments	-562	33
Change in inventories	-3	0
Change in payables and deferred income	140	-641
NET CASH USED IN/FROM OPERATING ACTIVITIES	**-994**	**1,986**
CASH FLOWS FROM INVESTING ACTIVITIES		
Paid on acquisition of property, plant and equipment and intangible assets	-316	-386
Proceeds from sale of property, plant and equipment and intangible assets	16	4
Proceeds from government grants	150	0
Loans provided	-6,718	-4,295
Repayments of loans provided	2,359	2,880
Changes in equity not resulting from profit for the year	0	5
Dividends received	587	0
Interest received	375	5
NET CASH USED IN INVESTING ACTIVITIES	**-3,547**	**-1,787**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans received	6,470	0
Repayments of loans received	-59	-431
Payments of lease principal	-151	-50
Interest paid	-329	-6
Proceeds from issue of shares	7	1,054
Proceeds from sale of own shares	25	0
Dividends paid	-635	-416
Corporate income tax paid	-23	-104
NET CASH FROM FINANCING ACTIVITIES	**5,305**	**47**
NET CASH FLOW	**763**	**245**
Cash and cash equivalents at beginning of period	**511**	**266**
Change in cash and cash equivalents	763	245
Cash and cash equivalents at end of period	**1,274**	**511**

Statement of changes in equity

(in thousands of euros)	Share capital	Share premium	Share option reserve	Own (treasury) shares	Statutory capital reserve	Retained earnings	Total
As at 31 December 2022	**1,152**	**8,216**	**274**	**-1**	**102**	**9,121**	**18,863**
Profit for the year	0	0	0	0	0	4,672	4,672
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
Dividend distribution	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**	**9,327**	**363**	**-1**	**115**	**13,368**	**24,355**
Loss for the year	0	0	0	0	0	-597	-597
Issue of share capital	17	0	0	0	0	0	17
Share options	0	200	-41	0	0	0	159
Acquisition of own shares	0	0	0	-9	0	0	-9
Sale of own shares	0	23	0	2	0	0	25
Transfer to capital reserve	0	0	0	0	3	-3	0
Dividend distribution	0	0	0	0	0	-635	-635
Other changes in equity	0	-2	-5	0	0	5	-2
As at 31 December 2024	**1,200**	**9,547**	**317**	**-9**	**118**	**12,138**	**23,311**

Adjusted unconsolidated equity (in thousands of euros) **At 31 December**	**2024**	**2023**
Parent company's unconsolidated equity	23,311	24,355
Carrying amount of interests under control and significant influence (-)	−11,046	−168
Value of interests under control and significant influence under the equity method (+)	7,254	-2,796
Adjusted unconsolidated equity	**19,519**	**21,391**

Statement by the management board

The management board prepared the group annual report consisting of the management report and the consolidated financial statements for the year ended 31 December 2024 and approved it for issue on 21 March 2025.

The management board confirms that to the best of its knowledge the financial statements, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Liven AS and the group as a whole and the management report gives a true and fair view of the development of the business, the performance and the financial position of Liven AS and the group as a whole and includes a description of the main risks and uncertainties.

The report has been digitally signed.

Andero Laur
Chairman of the
Management Board

Mihkel Simson
Member of the
Management Board

Alina Kester
Member of the
Management Board

Independent auditors' report

To the Shareholders of Liven AS

(Translation of the Estonian original)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Liven AS and its subsidiaries ('the group'), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the International Code of Ethics for Professional Accountants (Estonia) (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of the need for inventory write-downs	
Refer to notes 4, 6, 10 to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The consolidated statement of financial position as at 31 December 2024 includes inventories related to real estate developments in the amount of 67,902 thousand euros, which are described in more detail in note 10. According to International Financial Reporting Standards, inventories must be measured at the lower of cost and net realisable value.	Our audit procedures in this area included, among other things, the following: • We assessed the appropriateness of significant forecasts used by management based on our understanding of the group's business operations and the real estate market;

This version of our auditors' report is a copy from the original, which was prepared in xhtml format and presented to Nasdaq Tallinn together with the original version of the consolidated financial statements. All possible care has been taken to ensure that the copy is an accurate representation of the original, excluding xbrl tagging. However, in all matters of interpretation of information, views or opinions, the original version of our report takes precedence over this copy.

Assessing the need for a write-down requires making significant estimates for each real estate development. Each property (land or a building) recognised as inventory is measured on an individual basis. A business plan is prepared for each property based on its specific characteristics (intended use and existing building rights or building rights being established) and the estimated costs of the property are compared to expected revenue. If the costs of the property exceed the revenue from the realisation of the property, the group writes down the inventories by the amount of the excess costs. Due to the volatility of the construction market and the low liquidity of the property market, the estimated revenues and costs of the properties are subject to uncertainty. Assessing whether the assumptions used in identifying the need for a write-down of the group's inventories are based on reasonable and appropriate estimates required increased attention during the audit.	• We evaluated the reliability of external expert opinions, the competence of the appraiser, and the comparable transactions used; • We compared the data used in management's sensitivity analysis model with the budgets and strategy approved by the supervisory board and assessed the accuracy of the group's historical budgeting compared to actual sales results and costs in recent years; • We assessed whether the information disclosed in the consolidated financial statements (including the information regarding management's assessment of the need for inventory write-downs) is sufficient and appropriate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the management report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, our responsibility is to state whether the information presented in the management report has been prepared in accordance with the applicable legal and regulatory requirements.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard and we state that the information presented in the management report is materially consistent with the consolidated financial statements and in accordance with the applicable legal and regulatory requirements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the group's financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with International Standards on Auditing (Estonia), we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with the Requirements for iXBRL tagging of Consolidated Financial Statements included within the European Single Electronic Format Regulatory Technical Standard (ESEF RTS)

We have undertaken a reasonable assurance engagement on the iXBRL tagging of the consolidated financial statements included in the digital files
894500FK54S8LWFWC546-2024-12-31-0-et.zip. prepared by Liven AS.

Responsibilities of Management for the Digital Files Prepared in Compliance with the ESEF RTS

Management is responsible for preparing digital files that comply with the ESEF RTS. This responsibility includes:

– the selection and application of appropriate iXBRL tags using judgement where necessary;

– ensuring consistency between digitized information and the consolidated financial statements presented in human-readable format; and

– the design, implementation and maintenance of internal control relevant to the application of the ESEF RTS.

Auditors' Responsibilities

Our responsibility is to express an opinion on whether the electronic tagging of the consolidated financial statements complies in all material respects with the ESEF RTS based on the evidence we have obtained.

We apply the provisions of the International Standard on Quality Management (Estonia) 1 (revised) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the group in accordance with the International Code of Ethics for Professional Accountants (Estonia) (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about compliance with the ESEF RTS. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF RTS, whether due to fraud or error. A reasonable assurance engagement includes:

– obtaining an understanding of the tagging and the ESEF RTS, including of internal control over the tagging process relevant to the engagement;

– reconciling the tagged data with the audited consolidated financial statements of the group dated 31 December 2024;

– evaluating the completeness of the tagging of the consolidated financial statements;

– evaluating the appropriateness of the group's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

– evaluating the use of anchoring in relation to the extension elements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements included in the annual report of Liven AS identified as
894500FK54S8LWFWC546-2024-12-31-0-et.zip.
for the year ended 31 December 2024 are tagged, in all material respects, in compliance with the ESEF RTS.

Other Requirements of the Auditors' Report in Accordance with Regulation (EU) No 537/2014 of the European Parliament and of the Council

We were appointed by those charged with governance on 14 March 2023 to audit the consolidated financial statements of Liven AS for the years ending 31 December 2023 and 31 December 2024. Liven AS is a public interest entity since 24 May 2024 and we have audited Liven AS's annual accounts without interruption since that date.

We confirm that:

– our audit opinion is consistent with the additional report presented to the members of the supervisory board of the group;

– we have not provided to the group the prohibited non-audit services (NASs) referred to in Article 5(1) of EU Regulation (EU) No 537/2014. We also remained independent of the audited entity in conducting the audit.

Tallinn, 21 March 2025

/signed digitally/

Indrek Alliksaar

Certified Public Accountant,

Licence No 446

KPMG Baltics OÜ
Licence no 17

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Alternative performance measures

The group presents certain performance measures as the key indicators, which in accordance with the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures are not measures of historical financial performance, financial position and cash flows defined or explained in IFRS, but are instead non-financial measures and alternative performance measures (APMs).

The non-financial measures and APMs provide management, investors, securities analysts and other parties with significant additional information about the group's results of operations, financial position or cash flows and are often used by analysts, investors and other parties.

The non-financial measures and APMs should not be considered in isolation or as a substitute to the measures under IFRS. The APMs have not been audited.

Calculation formulas for APMs

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

(in thousands of euros)	**2024**	**2023**	**2022**	**2021**	**2020**
Depreciation, amortisation and impairment losses	375	148	74	25	13
Interest paid	5,041	2,772	4,220	671	716
Operating profit	1,284	867	3,324	656	1,436
EBITDA	**6,700**	**3,788**	**7,618**	**1,353**	**2,165**
EBITDA	6,700	3,788	7,618	1,353	2,165
Revenue	27,264	35,765	32,618	6,278	9,000
EBITDA margin	**24.6%**	**10.6%**	**23.4%**	**21.5%**	**24.1%**
Operating profit	1,284	867	3,324	656	1,436
Revenue	27,264	35,765	32,618	6,278	9,000
Operating margin	**4.7%**	**2.4%**	**10.2%**	**10.4%**	**16.0%**
Net profit attributable to owners of the parent	556	775	3,324	647	1,333
Revenue	27,264	35,765	32,618	6,278	9,000
Net margin	**2.0%**	**2.2%**	**10.2%**	**10.3%**	**14.8%**

Operating profit	1,284	867	3,324	656	1,436
Total assets at end of year	78,281	68,559	60,279	50,257	18,437
Total assets at 30 September	73,104	68,177	63,103	-	-
Total assets at 30 June	72,801	61,244	60,549	-	-
Total assets at 31 March	67,551	64,839	52,614	-	-
Total assets at beginning of year	68,559	60,279	50,257	18,437	14,399
Total assets, average	72,059	64,620	57,360	34,347	16,418
Return on assets (ROA)	**1.78%**	**1.3%**	**5.8%**	**1.9%**	**8.7%**
Net profit attributable to owners of the parent	556	775	3,324	647	1,333
Equity attributable to owners of the parent at end of year	18,236	18,122	16,526	12,807	6,840
Equity attributable to owners of the parent at 30 September	18,272	16,373	14,806	-	-
Equity attributable to owners of the parent at 30 June	17,886	17,168	14,845	-	-
Equity attributable to owners of the parent at 31 March	18,024	16,526	15,194	-	-
Equity attributable to owners of the parent at beginning of year	18,122	16,526	12,807	6,840	5,403
Equity attributable to owners of the parent, average per year	18,108	16,943	14,836	9,824	6,121
Return on equity (ROE)	**3.1%**	**4.6%**	**22.4%**	**6.6%**	**21.8%**
EBITDA	6,700	3,788	7,618	1,353	2,165
Depreciation, amortisation and impairment losses	375	148	74	25	13
Total assets at end of year	78,298	68,559	60,279	50,257	18,437
Total assets at 30 September	73,104	68,177	63,103	-	-
Total assets at 30 June	72,801	61,244	60,549	-	-
Total assets at 31 March	67,551	64,839	52,614	-	-
Total assets at beginning of year	68,559	60,279	50,257	18,437	14,399
Current liabilities at end of year	17,739	28,611	15,460	19,607	3,910
Current liabilities at 30 September	19,104	22,171	31,749	-	-
Current liabilities at 30 June	20,438	11,601	27,653	-	-
Current liabilities at 31 March	14,414	15,460	19,650	-	-
Current liabilities at beginning of year	28,611	15,460	19,607	3,910	4,923
Assets – current liabilities at end of year	60,559	39,948	44,818	30,650	14,527
Assets – current liabilities at 30 September	54,000	46,006	31,354	-	-
Assets – current liabilities at 30 June	52,363	49,644	32,896	-	-
Assets – current liabilities at 31 March	53,137	49,379	32,964	-	-
Assets – current liabilities at beginning of year	39,948	44,818	30,650	14,527	9,476
Assets – current liabilities, average	52,001	45,959	34,536	22,588	12,001
Return on capital employed (ROCE)	**13.6%**	**8.6%**	**22.3%**	**5.9%**	**17.9%**
Equity attributable to owners of the parent	18,236	18,122	16,526	12,807	6,840
Total assets	78,298	68,559	60,279	50,257	18,437
Equity ratio	**23.3%**	**26.4%**	**27.4%**	**25.5%**	**37.1%**

Equity attributable to owners of the parent	18,236	18,122	16,526	12,807	6,840
Total assets	78,298	68,559	60,279	50,257	18,437
Construction loans	13,033	11,983	9,624	5,038	0
Total adjusted assets	65,265	57,576	50,655	45,219	18,437
Adjusted equity ratio	**27.9%**	**32.0%**	**32.6%**	**28.3%**	**37.1%**
Current assets	75,462	67,480	59,794	50,075	18,386
Current liabilities	17,739	28,611	15,460	19,607	3,910
Current ratio	**4.25**	**2.36**	**3.87**	**2.55**	**4.70**
Current assets	75,462	67,480	59,794	50,075	18,386
Inventories	67,902	62,112	54,140	44,976	15,439
Current liabilities	17,739	28,611	15,460	19,607	3,910
Quick ratio	**0.43**	**0.19**	**0.37**	**0.26**	**0.75**
Net profit	556	775	3,324	638	1,439
Weighted average number of shares (in thousands)	11,899	11,753	11,515	10,888	10,178
Earnings per share	**0.047**	**0.066**	**0.289**	**0.059**	**0.141**
Net profit attributable to owners of the parent	556	775	3,324	647	1,333
Weighted average number of shares (in thousands)	11,899	11,753	11,515	10,888	10,178
Earnings per share attributable to owners of the parent	**0.047**	**0.066**	**0.289**	**0.059**	**0.131**

Bedroom in an **Iseära** home
Interior architect: Carolyna Kodar, photo: Karl Kasepõld