Liven, Q2 and 6 months 2026 unaudited financial results presentation

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Chairman of the Board, Andero Laur; Chief Financial Officer, Joonas Joost

An unofficial automatic translation of the original Estonian transcription.

Welcome to Liven's presentation of the unaudited financial results for the second quarter and the first six months of 2026. Today the results are presented by Liven's CEO Andero Laur and Chief Financial Officer Joonas Joost. As usual, it is possible to ask questions during the webinar by selecting the Questions & Answers window via the icon at the bottom and writing your question in the question box. But I will now pass the floor to Andero to begin.

About Liven

Hello from me as well. As an introduction for all new listeners, Liven is a residential real estate developer operating in Tallinn and Berlin. We have completed fifteen projects and have fourteen in progress, which means that more than 1,700 homes are in various stages of preparation. What distinguishes us from our competitors is that we try to offer more mass individualization, meaning homes created according to the client's wishes, with a wide range of finishing options and possible modifications.

Summary of Q2 2026

A summary of our second quarter. Liven's IPO took place. We raised just under €5 million of capital and put that capital to work immediately. We acquired new properties, two smaller ones in Berlin and one larger one in the centre of Tallinn. During the quarter we signed 57 new sales contracts. Most of these were in homes that are not yet completed, so they were not reflected in sales revenue. Many of them will be completed in 2026 and some already in 2027.

The sales revenue target that we set at the beginning of the year, €59 million, remains realistic. We have already achieved 90 percent of that target or covered it with pre-sales, so the centre of gravity now moves to completions and handovers. Some of those come right at the end of the year, but today's forecasts give us reason to believe that we will manage that well too.

A payout of €1.4 million was also made in line with our dividend policy. There were no new construction completions and the net loss was €0.6 million. This includes both the income tax expense related to dividends and the costs related to the IPO. Over the full year the marketing costs related to the IPO and the income tax on dividends would probably not stand out so much, but because there were no completions in this quarter, they are more visible on the profit line.

Important Events in Q2 2026 and July

The most important events have already been mentioned, meaning the dividend payment and the general meeting of shareholders as well as the initial public offering, where we had more than 2,400 investors and €5 million of capital raised.

I would also point out that a new option programme was approved for the management immediately before the IPO, in total nearly half a million shares, with price targets in the range of €8.95 to €10.64. There is up to five years to meet these various targets.

Then the acquisition of new properties. Two of them are in Germany and they are of a similar size to the project that we currently have under construction and on sale. The third is one larger property in the centre of Tallinn, near Kino Kosmos and directly next to the development project called Das Haus.

We started pre-sales in several projects. The second phase of Regati began with a non-public pre-sale. In Iseära we opened new phases in both the row houses and the apartment buildings. The long-awaited detailed spatial plan of the Kadakadabra project on the border of Mustamäe and Haabersti, which was in proceedings and was enacted last year, has also reached the market and will go into construction this year.

Key Indicators and Rolling 12-Month Indicators

In terms of the number of contracts signed, the result has now been quite similar and high for four quarters in a row, close to 60 contracts in each quarter.

The volume of handovers was small and we had no new completions. That is also the main reason why sales revenue was low and why there was no profit in this quarter. However, all these newly signed sales contracts contribute to profit growth, above all at the end of this year and to some extent during next year as well. Client feedback remained in its usual range.

Looking at the rolling twelve months, we have never before had this many consecutive quarters of such sales, with more than 200 units over four quarters. This gives reason to believe that the company's sales volumes and revenue figures will continue to grow in the future. Sales revenue in the rolling twelve-month view remains at broadly the same level, and we have certain expectations of an increase with the third or the fourth quarter. The volume of handovers in the rolling twelve-month view follows with a certain lag from the pace at which we sign new contracts.

Historically the time shift between a sales contract under the law of obligation and a real right contract has averaged twelve to fifteen months, meaning four to five quarters, and this is also somewhat visible when comparing these charts.

In the rolling twelve-month view of net profit we continue to exceed our return on equity target, which is above 20 percent.

Overview of Sales in Q2 and the First Six Months of 2026

Looking at the business side, meaning how sales went, how much was handed over and how the quarter went in general, I would say that it went better than hoped, especially the sales side. A large share of this year's planned sales revenue is in place in the form of pre-sales, and the centre of gravity is now on the construction side, as I said, so that these things are completed and handed over properly and on time.

We made nearly €11 million of new pre-sales in this quarter. For €2.3 million we were able to sell existing projects that could be handed over immediately, and there were also some earlier pre-sales from previous quarters worth €2 million that were realized in sales revenue. In total the pre-sales balance has therefore grown to nearly €50 million, of which nearly €40 million is expected to turn into revenue this year and close to €10 million belongs to 2027.

The 2027 side can be expected to start growing quickly as well, because the projects that contribute the most to it are Kadakadabra together with the Iseära row houses and the second phase of Regati that are now starting. Pre-sales are underway in all of them, but we signed only a few sales contracts under the law of obligation in the second quarter, or none at all. The forecast for the next quarter is therefore that this 2027 figure will start to grow significantly.

Environmental Factors Affecting Demand

Demand continues to be affected by macro factors. The abolition of the tax hump clearly raised the purchasing power of the middle class, and I think this is visible today for all developers. The volume of new sales contracts under the law of obligation is rising for most developers and it reaches revenue with a small lag, but the market has certainly become more active. According to current indicators, nearly 20 percent more new apartments are being sold in Tallinn than last year.

Liven's sales volumes have grown slightly faster than the general rise of the market. Looking at the weekly sales ratio, we were at the very peak towards the end of June and have now come down. There are two reasons for this. One is that we came out with several new projects in that same month of June. We measure this ratio as the number of sales against total supply. As soon as total supply rises, the ratio comes down. The other reason is that July usually has slightly fewer transactions and new reservations. People are on holiday, and what gets formalized into transactions tends to be what went on sale during the previous months.

The rise in Euribor does not help us, but I would not say that it has gone so high today that it would hold us back significantly. Clients have become somewhat used to these Euribor fluctuations over the past years and this probably does not hold them back that much.

The Greater Tallinn New Development Market

Speaking about the market in general, quite a lot of new supply was added at the beginning of the year. At the start of the year there were slightly under four thousand new apartments on sale in Tallinn and its vicinity, and another thousand were added already during the first quarter. This was a one-off large number of apartments that in many projects was in fact already taking place as a hidden pre-sale, but then that pre-sale was made public or became a public sale, and from there it affected the statistics as well.

New projects were added to supply in the second quarter too, nearly five hundred new apartments, but slightly more than that was sold, over six hundred. The number of offers remains high and keeps prices stable. For the consumer this is certainly good. A developer would of course prefer to raise prices more, but I believe that in general it is rather a good thing that there is choice in the supply.

It is also positive that the stock of completed apartments has fallen evenly during this half-year, both in the first and in the second quarter. The largest share of supply consists of projects under construction.

The distribution between city districts has remained quite similar for a long time already. Haabersti is still the district with the largest supply and prices there are the most accessible for buyers. Compared with Lasnamäe, for example, which accounts for four percent of total supply, prices of new developments in Lasnamäe are higher today than in Haabersti. Supply and demand put things in place.

Overview of Projects

A quick overview of our projects. In Iseära the row houses and apartment buildings are about to be completed. Part of this sales revenue will reach the third quarter, although most of it will fall into the fourth. We also started the construction and sales of new phases. A little under half of the total volume of this project remains to be built.

In Regati 76 percent of the existing completed phase is sold by number of units, and in revenue terms it is slightly more, nearly 80 percent. We started the pre-sale of the second phase, where 15 percent is currently covered with paid reservations, and we are preparing the construction procurement and the move to public sales. Here is a picture of the show home that was completed specifically for the second phase, so that our clients can see what the apartments of the second phase will look like.

In the Luuslangi project the buildings consist of two above-ground sections and one underground car park. One such complex holds close to 40 homes and one of them will be completed this year. The other similar one, at Jalami tänav 4, will be completed in the first half of next year. We are preparing to put the next ones on sale, roughly another two times 40 homes, and we will probably finish this project in 2028 or 2029.

In our German project nearly 45 percent of the 24 homes are sold or covered with paid reservations. We expect completion in the first half of next year. The picture here is roughly a month and a half old, from the time of the topping-out ceremony.

The Olemuse project in Nõmme consists of twelve small buildings, shown here in a 3D image, with 72 homes in total, of which 63 percent is sold by now. The buildings will be completed one after another in the fourth quarter, the first ones at the beginning of the fourth quarter and some of them right at the end of the year.

In the Virmalise project 43 percent is sold by now and it will also be completed by the end of the year. It is located in the city centre next to Tallinn University of Applied Sciences.

The first phase of Peakorter is our joint project with Oma Grupp, where nearly half of the homes are sold. Our own development is right next to it and we are waiting for its detailed spatial plan to be enacted, so this project will have a good continuation, because we may be able to sell to that same client group.

Juhkentali 48, where the detailed spatial plan was enacted last year, is the project that will become our first rental building, meaning rental apartments. A cooperation agreement has been signed with Lumi Capital, who will manage and operate the project. We will start construction this year.

In Kadakadabra, where we worked on the detailed spatial plan for eight years, the plan has now been enacted and the building permit proceedings are underway. The first phase consists of slightly more than 90 homes, of which 14 percent is covered with paid reservations by today, and we expect to be at around 30 percent in the autumn when we start construction.

The second phase of Peakorter, which I already mentioned briefly, is located on Erika street. There we are waiting for the detailed spatial plan to be enacted. The adoption and the public discussions have taken place. These should be technical steps, but in the city it takes time.

Last year we acquired the property at Linnamäe tee 21a in Lasnamäe, where 154 apartments are planned. The detailed spatial plan proceedings are underway there, meaning that the plan has been initiated.

The situation with Järveotsa tee 16c is similar. The property was acquired last year and the detailed spatial plan is in progress. A competitor should start a development right next to it, so in our estimate the environment will be considerably better by the time we start, once those new developments next door are either completed or under construction.

Our two new acquisitions in Germany are both in West Berlin, at Plantagenstraße 19 and Reichstraße 101. They are of a similar size to our ongoing project, which is also our deliberate strategy. We are in fact looking for one more project of a similar size, because considering our current overhead costs and the local team, three such small projects should cover those overheads. We can apply what we have learned there and we also expect the results of these projects to improve both in terms of time and money. If we see that we can carry out these next three projects successfully, with a better profit margin and a faster time frame, we will dare to make larger investments and expand our activities in Berlin.

One more acquisition fell into the beginning of the third quarter, the already mentioned property between Kino Kosmos and the Das Haus development project. More than 160 residential and commercial units will be built there. The figure of 160 comes from the detailed spatial plan, but we have also been given permission to specify it during the design phase. We will start an architectural competition very shortly and the exact number and mix of apartments will become clear then.

A word about the development portfolio. When we raised capital, we were targeting exactly the filling of the gap in 2029 and 2030. The capital raised has already been put to work today with that same purpose, so that we would have more sales volume and more work in those years. The new acquisitions that we are looking at now are either something that can be put to work immediately or larger projects that support our revenue and profit in 2030 and beyond. The total forecast sales revenue across all projects is now approaching half a billion euros.

Overview of Financial Results

Let us go through the income statement in a little more detail as well. There were indeed only twelve handovers and they were in homes completed earlier, as there were no new completions in this quarter. Sales revenue was four and a half million euros. With relatively low sales revenue in our terms, the margin also remains slightly lower on average. It is positive, however, that compared with the third quarter of last year, where sales volumes were similar, the result is in fact slightly higher.

As Andero already mentioned, marketing expenses include in the order of €90,000 to €100,000 of one-off costs related to the IPO. In addition there are the starts of the new projects, Kadakadabra and Iseära, and somewhat greater emphasis on marketing costs. On the general administrative expense side there is not really anything to point out, as the level is relatively usual. The income tax expense of €384,000 fell specifically into the second quarter and had the largest effect on the result.

In summary, a sales revenue level of €5 million is the level at which we are close to break-even in a quarterly view without one-off factors.

On the financial position side, the volume of assets rose above €100 million again by the end of the quarter. Equity decreased as a result of the dividend payout, but increased from the share issue, and stood at €26.7 million at the end of the quarter. The increase in loan obligations arises above all from the usual progress of construction and from the growth in construction volumes. Construction loans stood at €16.5 million at the end of the quarter and all loan obligations together at over €57 million. The equity ratio excluding construction loans was 31.2 percent at the end of the quarter. Our target is close to 40 percent and we are steadily moving in that direction.

A little more about loan obligations looking ahead. Because constructions continue during the quarter and most handovers and completions fall into the last quarter of the year, we expect the volume of loan obligations to keep growing at the end of the third quarter and to decrease rapidly in the fourth quarter, especially in terms of construction loans.

Liven's Share and Dividend Policy

Since we have been trading in the main list of Nasdaq Tallinn since 15 May, a few words about the share as well. The number of shares is 13.05 million, market capitalization at the end of the quarter was €46.6 million, and during the quarter the share essentially traded between four and three and a half euros. The average daily turnover was €22,000.

It is clear that our view of the company's intrinsic value is considerably higher, and the start of trading, also in terms of the IPO result, is perhaps not quite where we ourselves would have expected or hoped. Looking at various ratios, however, it is possible to assess whether we are rather more expensive or cheaper. In terms of the price-to-sales ratio, with the end-of-quarter price of €3.65 and compared with our 2026 target of €59 million, the ratio is 0.8 times. In the context of the last twelve months' profit it is 9.7.

We ourselves have only stated a sales revenue target, not a profit target. Looking at the analysis by Enlight Research, who cover us with their analysis and whose analyses are freely available to everyone, the price-to-earnings ratio at the end of June in the context of their 2026 profit forecast is 7.2, which is not high. The price-to-book ratio for the last twelve months was 1.8.

A word about dividends. Since we have not stated a profit forecast, we do not have a dividend forecast either, but we do have a clear dividend policy to pay out 25 percent of pre-tax profit as dividends every year. That allows us to put this figure into context as well. Looking back, the share trades with a yield of around 2.9 percent on the dividend already paid, and looking forward, with a yield of 3.7 percent against Enlight's forecast. The fair price range for the share estimated by Enlight is €5.55 to €7.26. Enlight's profit forecast was in the order of €6.6 million.

It is true that we expected a different result from the IPO. This is no secret and we have said it out loud as well. The market, however, gave us what it gave, and the market is always right. Our task as a company today is to try to show that we are worth more and that we can deliver good results. The levers that we have in our hands at the moment, both in terms of the land portfolio and pre-sales, create the opportunity for that. As I already mentioned, this year the construction has to be finished, because the sales are already in place. The new phases are also covered with permits, so we need to get those same sales going and start preparing next year's result as well. The tools for delivering results are therefore in our hands. We simply have to do the work, and hopefully sooner or later the share price will react to that and catch up with those results.

Future Outlook

I already spoke a little about the future outlook, but we rather expect market growth to continue. I believe that the same 20 percent growth that we have seen in the first half of the year compared with the previous one will rather continue in the second half as well. At the moment we have sales and construction underway in eight projects and we are adding new phases and new projects to that. It is easiest for us to grow in those areas and locations where Liven is not active today or where we have less supply.

We already spoke about the pre-sales portfolio. Not very much needs to be added in pre-sales, close to €8 million, in order to meet this year's sales revenue target. Construction will most likely start in the second phase of Regati and in the Kadakadabra project, and probably also in the next building of Luuslangi and in the new apartment buildings and row houses of Iseära. There we will look at the sales pace, because we already have enough construction and sales at the moment and we are adding to it gradually.

The land portfolio is also such that we could manage with this kind of return in the coming years as well, meaning keep the return on equity above 20 percent.

Questions and Answers

In addition to the revenue forecast, could we expect the management to give its view on profitability in absolute figures in the future?

A good question. We have become somewhat more cautious with forecasting after the journey that we made from 2021 onwards, when the market changed very quickly in both directions. The confidence to state these figures is gradually coming back. We ourselves would of course like to share more, but we also sense how sensitive it always is to do so. Every forecast that you state is in a way also a promise, that is how the life of a listed company works, and there is pressure to meet it and to exceed it. We do have the wish to share more, and if this rather stable economic situation continues, I believe that the wish will also be realized in more precise forecasts and figures. I would not dare to give precise promises on that point at the moment.

Are there any projects that are currently behind the construction schedule and that could affect handovers at the end of the year?

No, not a single one is behind schedule. In the Olemuse project, however, there are twelve buildings in total with different completion deadlines by groups of buildings, and for some of them the completion deadline is at the beginning of December. Our experience shows that there is a fairly high probability that the handover of some apartments may shift into the next year.

Why do we believe, despite that fact, that we will reach the €59 million? The reason is the sales pace so far. Although I said that we only need €8 million, I still believe that we will actually sell more this year. The total potential sales revenue, if we sold everything, is €86 million. That is an absolute maximum which will certainly not happen, but a buffer of this kind can also be created from the other direction, by selling slightly more in the projects that are being completed, which will certainly be finished and can be handed over. That then serves as a buffer against the case where not all sold apartments in some project are completed.

Could we also share pre-sales figures for the projects that should be completed in 2027?

I am not sure how precisely that is presented in the report, I believe the percentages are shown in some cases.

The pre-sales portfolio shows €8.8 million of contract and sales volume that is currently in place in projects being completed in 2027. As Andero said, in the Kadakadabra project, the Iseära project and Regati there are in fact still reservations ahead of contracts, so those have not reached the pre-sales portfolio yet. The first phase of Peakorter, which will also be completed in 2027, is a similar case. Since it is a 50/50 joint venture that we do not consolidate in terms of sales revenue, those sales are not reflected in the pre-sales portfolio balance either.

By the end of the next quarter this overview for 2027 will be considerably more precise, because a large share of those reservations will have been formalized as sales contracts by then, and the figure showing how much pre-sales we have for 2027 will grow significantly.

If anyone has further questions, now is the right time to write, but you can always write later to the address investor@liven.ee. We will also publish this presentation, the webinar recording and the transcript on our website at liven.ee/investor, where both today's webinar materials and earlier materials can be found. If it seems that there are no more questions at the moment, I think we can draw a line under today's webinar. Thank you for participating and for your questions, and we will meet again in three months!

Thank you from me as well, enjoy the rest of the summer!