**Liven, 2024. 12-month and Q4 unaudited financial results presentation, 30 January 2025.**

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

*An unofficial automatic translation of the original Estonian transcription.*

Good afternoon everyone! Liven is kicking off its webinars, with the 12 months of results that we unveiled today. The webinars will take place each time we publish our results and will be available for later viewing in the investor section of our website, where they will appear shortly. I expect t our presentation itself will be about 25 minutes and after that there will be a Q&A session with you. Including those sent in advance. Anyone who is interested or would like to ask a question, please do so by clicking down there on the right-hand side, and from there the question-and-answer menu will open and you can leave your question there.

I am Andero Laur, Chairman of the Board and CEO, and with me is Joonas Joost, Chief Financial Officer. Hello!

A quick update for those joining for the first time: we are mainly based in Tallinn, but we also have a development in Berlin where we will start construction soon. In total, we have sold and handed over 800 apartments in 14 different projects in our 10 years of operation. Last year Kantar Emor also declared us the most reputable real estate developer in Estonia, a survey Kantar Emor has been doing for 4-5 years. What distinguishes us, or what we hope to distinguish ourselves from the competition, is first and foremost our different concepts, planning and giving our clients as many choices as possible. You could also say mass-personalisation, or bringing to the masses the flexibility to design their own homes or to design them with our interior designers. We currently have 11 projects in various stages of completion, totalling 114 000 m2 and 1 400 apartment units.

Key figures from last year. We are not satisfied with the left-hand column. We are very satisfied with the right-hand column. Brief comments are as follows. Turnover was EUR 27.3 million, and this was largely determined by decisions already taken in previous years, or construction starts and sales. We could not have done much better than that. Perhaps the maximum was a little over EUR 30-35 million, which in theory would have been possible if we had sold our so-called warehouse empty. But overall, we did quite well with sales.

Profitability is also very clearly influenced by how many starts there were in the first place, and what is achievable at all with such a volume. This volume is not sufficient for our organisation, but given the cycle and the market we are in, it is a reality. And in the same way the return on equity is clearly linked to that.

When we talk about the equity ratio, we have adjusted it, or removed it for us here, for construction loans, which are very volatile - just before a big construction project is completed, the volume of loans can go very high momentarily and come back down again immediately after delivery. That's why we ourselves monitor the rate at which construction loans are removed from the books. The equity ratio is also lower than our internal target. We see this improving in the near term with the market and our volumes changing, which we will discuss shortly in the following slides.

Last year we signed 129 new debt contracts, twice as many as a year earlier. And we also saw a significant improvement in our customer feedback, which was very low last year , largely due to the inflationary and supply crises, where we had many construction projects delayed and where it was difficult to guarantee the quality we set ourselves in the construction boom situation.

For a long time, we were the number two prestigious real estate developer after Merko, and for one year we officially shared the number one spot with Merko. Last year, Kantar Emor announced Liven as the most prestigious real estate developer. We have also bought one new plot last year, with a total of 72 homes, located in Nõmme.

How did we do in 2024? A maximum of 110 residential and commercial units could be delivered. We did 84% of this maximum. At the beginning of the year, we had 67 homes ready to sell. We've never had that many and it was quite a burden to start the year with. Because a completed home that is unsold is an expense. We sold 53 during the year and we start the new year in a much better position. Total sales were EUR 27 million. The theoretical maximum would have been a little over EUR 30 million, up to 35. When we started the year at the beginning of last year, we had EUR 10 million of contracts outstanding, so 10 of the 27 were already covered by contracts. The figure for this year is significantly better. I will talk about that later. During the year, we contracted a total of EUR 42 million. We made new sales, the sales were partly influenced by the sales of the previous year and to a large extent, in fact, by the sales of the current year.

Important events:

Starting a regatta project, which is our signature project, where interest is high, which is the best location in the city for a lot of people in Tallinn.

Several new phases have started in the Iseära project, which are not so much influenced by competition but are important for their uniqueness and their very nature.

A successful green bond issue.

Acquisition of the Kalda 5 property and also the completed architectural competition.

Perhaps the most significant events in planning and projects were the adoption of two detailed plans. In the case of 88 Kadaka Road, with over 400 units, there were also no comments or objections from any neighbours, so it is well on its way to adoption. In the case of Juhkentali 48, we received objections and comments from neighbours, so there is a monitoring procedure by the State, I don't know what the name of the new authority is, but in the old days it was the Ministry of Finance. Hopefully we can get from there to the establishment this year.

And in the case of Virmalise 3, we obtained the right to build through the issuance of planning conditions and from there on to preparing for sale and construction.

Kadaka tee 88 We won the architectural competition and started the design.

In the Luuslang project, we started the pre-sales for the next phase.

In Berlin, sales of the project and the opening of the salon started. The Berlin salon is a kind of mini-copy of what we have in Tallinn: the concept and the strategy we have is implemented there.

And, of course, the sale of homes completed in the previous year.

We can also be satisfied with our sales performance. Although the market was significantly quieter and lower than in previous years, Liven's market share increased significantly. While in previous years our market share was around 6.7%, last year our market share was around

10%. Based on data from Citify, which collects these statistics. And with that, we were actually the developer with the largest market share in the Greater Downtown area.

Our project in Nõmme, we also had an architectural competition there, small houses, and the winner was Lumia architects. Also the result of the architectural competition. There, the planning was adopted last year and is now well on the way to being approved. It was won by Pluss Architects. There will be over 400 units in total.

From Turku. The market has been very stable, stable low. If you look at this graph, all three solid lines show prices and the number of transactions, the dotted lines show the number of offers. If you look at the three continuous lines, the highest of these is the price of new supply. It's been going up gradually. But in the case of the supply price, perhaps most of the increase is because more of the lower-priced projects have been bought and more of the higher-priced projects have been retained or added. The average line is the price per square metre of apartments on KV.ee, which has stayed in the same place since mid-2022 with small fluctuations. And that bottom line is actually the transaction prices in Tallinn, according to the Land Registry. There, too, prices have held steady with small statistical fluctuations. New developments have had a bigger impact in December, perhaps going up there, and coming down in January. But in fact they have been at 3000 for several years. However, there have been big changes on the supply side, with the top line showing the supply of apartments on KV.ee in Tallinn, which started to increase very rapidly last year, and we were a bit worried about how this would affect the market. It didn't have a big impact. Now the supply has come down a bit again, to 4500.

The stock of new developments is very high. I don't think we have a good database of what happened before 2008-2009, but the data that we do have shows that the backlog is at an all-time high. Which is not very different from what it was before the corona crisis. So it's not too bad either. However, this level of supply does suggest that prices are not going up yet, or are going up very little, because there is so much supply. The latter then shows the number of transactions in Tallinn, which has been very stable throughout this crisis, there has been no big drop. There are significantly fewer transactions, albeit with new developments, than before, but the secondary market is performing better.

New housing market in Tallinn: this red part shows that there is a noticeable increase in the stock of ready-made apartments, i.e. there are a lot of ready-made apartments on offer. This has stabilised from mid-2024 and has stayed around there. The same is true for total supply. There has been a bit more additional supply in the suburbs. In Tallinn, it has been fairly stagnant. And prices have been very stable for a long time.

Demand continues to be affected by low confidence. Of course, the fall in the Euribor will support more transactions. Real wages are rising, but taxes are also rising. There are a lot of signs that actually suggest that if prices do not rise, the number of transactions will start to increase. And we are also seeing that in our own sales statistics. There's a weekly ratio. 1.5-2% is where you'd like to be at times, and you're also seeing that this last six months the average has come more or less close to that lower end. Given the number of deals we have, we're pretty happy with the sales we're seeing, and we're hoping that continues into 2025.

There are no major changes in the development portfolio, apart from the addition of the Kalda 5 project. Construction schedules are constantly being adjusted a bit, when some start and when permits are obtained. For the next few years, we are quite well covered in terms of development portfolio and work. If the market is supportive, there will be plenty of volume to do. In the real estate strategy, we are looking more at parcels where construction could start in 2027 and 2028. Undoubtedly, some projects will also probably be delayed and pushed back and will end up in those years as well, but that will be our main focus as we make new acquisitions.

Our New Zealand project, which ended last year: the last 2 apartments are still for sale. But here's a sneak peek inside one of the residents' homes.

And numbers. Let me say a few words about the unaudited results for the year just ended. In particular, because we signed fewer property contracts than in previous years, our revenue was EUR 8.5 million lower than last year. Gross profit was up on the previous year, but the gross profit margin remains lower than in previous years.

Marketing, general and administrative costs contributed quite strongly to the increase in costs this year and had a negative impact on profits. Part of the marketing costs are related in particular to sales that we will start to deliver in the coming years. Also, of course, the gross profit was affected by a reduction in the profitability previously budgeted for several projects. And general cost inflation, too, had a negative impact on results.

Under other operating income, we have a positive impact from the change in the fair value of the commercial property of the Väike-Tallinna project. Since the second quarter of this year, we have accounted for the rented out space as investment property and by the end of the year we have accumulated enough history, so to speak, to overstate the fair value of the investment property.

Financial charges include, in particular, interest income on green bonds issued. As a technical aside, I would like to add that we use the bond funds for projects and, like other capitalisable costs in a project, the gross margin is figuratively higher by the same amount. Financial income and expenditure, which we practically had no in previous years, is now here at 570 thousand. But by that amount we have a better gross margin. So our total impact there is essentially not there, from the fact that we have used this money. Which is also positive, because the interest rate has been lower, maybe, than on similar loans. The message is that our performance is not materially negatively affected by the issuance of green bonds.

And if you look at the quarterly report in more detail, we handed over a similar number of homes, a little less than in the previous two quarters, but significantly lower than a year ago. Sales revenue was EUR 8.2 million. As I mentioned before, the decline in the profitability of the projects compared to the previous assumption has had a negative impact on the cost of goods sold and therefore on gross profit. So to speak, metaphorically speaking, with the wisdom of hindsight, one could say that in terms of substance, the margins of previous quarters could have been lower and this quarter's could have been higher.

Marketing and general administrative expenses have also seen a relatively large jump compared to the previous quarter. I should point out here that more than half of the increase is rather one-off in nature, this 865 thousand is not the new normal, so to speak. However, it is true that general cost inflation also has an impact on this figure. Under other operating income, as I said, understandably then, the change in the value of investment property. The final result for the quarter in terms of net loss is EUR 78 thousand.

Looking at the key financial ratios for the year, assets have increased by almost €10 million. Borrowings have increased by EUR 9 million. The increase in assets has come mainly from projects under construction. In particular, Regat and Iseära, where the costs under construction until completion are capitalised in inventories. The projects where construction has been completed and I have handed over apartments in stock, the volume of stocks has decreased during the year. On the liabilities side, the increase of EUR 8,8 million is largely due to the issue of bonds - EUR 6,2 million. There are also some other development-related loans that have contributed to this. As a large overall trend, the share of investor loans has decreased. The share of publicly raised bonds has increased.

on the outlook for 2025, before moving on to the questions and answers. The environment is challenging and risky, but there are many things that are likely to remain as they are, i.e. they will no longer worsen the situation, but rather there are more signs of improvement. First of all, prices have been stagnant for quite a long time and wages have been rising for several years and now with the fall in the Euribor, real estate is becoming available again. Availability is, however, declining very rapidly to what it was before the koruna crisis. We will continue with pre-sales, new projects, new phases. We are going into the year with a fairly high level of secured sales already. We have already signed contracts for EUR 31 million for the projects that are coming to an end this year. The maximum number of residential or commercial properties that we can hand over is 194, and with a maximum sales volume of around EUR 75 million, that is to say a little less than half, or EUR 30 million, of these contracts have already been signed. We don't think we'll reach that maximum, it's not likely, but we're forecasting EUR 55 million. And this does not imply that the market situation will improve significantly now, rather it will remain as it was in 2024, i.e. we will improve the turnover. In the first quarter, we have nothing in the pipeline, and most of the deliveries were made at the end of the year in those projects where there was something to deliver - there are a few, of course, although we do not expect a good, noticeable jump in the first quarter. Many will start to go in the second and third quarters and from there on into the fourth.

And that brings us to the questions, some of which have been received here. I'll start with them.

The first is about our German project. **In the Wohngarten project, have you already made the first pre-sales to date? To what extent have the project risks changed for you in the context of a weak German economy and rising unemployment, and what is your competitive advantage in this project?**

No pre-sale contracts have been concluded. We are also not able to conclude the same kind of pre-sales contracts as we do in Estonia. It's a bit more complicated, we have to have a lot more information there, we have to have the properties done. Whereas in Estonia, usually the condominiums are made just before completion, there the condominium has to be formed before, these things take a bit more time. And also, if the clients expect to have the contracts of the management companies in there between the folders and everything else, they know exactly what costs they are going to have to face. Then the notarial contracts are signed. We have interest, we have a lot of meetings. There is a bit of a wait-and-see attitude as to whether we are going to start construction. There are a lot of developers out there who, in the meantime, have seen their developments come to a standstill, and there are also a lot of those who then want to start but have not been able to for various reasons. There is such a wait-and-see attitude. And perhaps the third major reason that we feel is making sales difficult is the whole local practice of financing, where clients finance construction with down payments during the construction period. To do that they often use a loan, they sign a loan agreement when they buy. But if today they enter into that loan agreement in conditions of falling interest rates, in Germany it is common practice to fix the Euribor for either 5 or 10 years or to take out fixed-rate loans. There is very little or no use of this floating Euribor. So there is a wait-and-see attitude - there is no point in me deciding today anyway, I would decide as last minute as possible, then I will get a better interest rate, which is for the next 5 or 10 years. But the interest is high and I believe that is not our main obstacle.

The second half of the question was about the general economic situation. Yes, of course it affects us. The better the economy, the more likely it is that real estate will do well. I think the rules are the same everywhere who is in the market right now. And in general, the city is growing. The latest projections or examples of different cities are that prices are starting to rise there quietly and most of the major cities are now seeing a small recovery in sales, a small increase in prices and also an increase in the number of transactions. So in the big picture there the market is getting better at the moment, not worse, given the situation that is going on in the German economy. What is our competitive advantage? In general we are trying to realise the business model that we are doing in Estonia. So that, our competitive advantages are not project-based, but project-based. There again, we are trying to involve clients, we are trying to offer a lot of design choices, to offer the opportunity to have a say in the design of the apartment, to have a say in the finish choices, so that this competitive advantage can be created on a project-by-project basis for each project. That's our main focus, but projects always have to have their own selling points to come out with. For example, energy efficiency and not using gas heating but using air source heat pumps. Most of the houses in this area are not allowed to have parking, but because of some of the historical background, it was possible to provide parking there, which is important to some people not to do that in that part of town. But because the surrounding houses don't have it, those parking spaces are a competitive advantage. Also, I think our apartment sizes are a little smaller than the market average, which also makes the final price more affordable compared to many other developments. Those are the ones I would point out.

Next question: **on the gross margin for the fourth quarter. The gross margin in Q4 was very weak, below 10% - could you talk about the main drivers and at what level you are planning the margin this year, especially if there is no pullback in sales prices?**

Jonas paused briefly. The big picture, before going to the gross margin: the volumes we did last year are small. When volumes are higher, or when there are more projects, which is what we expect from our organisation and from the whole portfolio, the individual drivers have less impact on the quarterly result. There are exceptional influencers that made the margins smaller. Rather, if you look at the average gross margin on a project or an annual basis, we are happy with that, we would always like to have more, but there is nothing there that we should look at with a view that the same margin will continue. Rather, really, this fourth quarter result is technical in nature. We are carrying inventories as an expense on the basis of budgeted sales and budgeted costs. In those projects where a large proportion of the apartments have been sold earlier and it turns out at a later stage that there has been either a somewhat larger drop in the sales price, so to speak, than was originally estimated and at the same time a certain impact in terms of costs, this simply gives an effect in this one quarter. Really in terms of substance, it is more correct to look at the annual rate. And again, this was also space that was sold and built in earlier years, where in some cases the margins were already lower than we have historically and could be in the original business plan. Construction of many of our houses started in 2022, when construction costs increased very rapidly and increased even in those projects where there were actually fixed contracts and additional works had to be taken into account.

Next question: **how many units? You have €5.7m of completed, unsold apartments (including commercial space) in your inventory as of Q4 - how many units do you have today that could be signed immediately?**

9, 11, 12, 13, 14, 15, 16 units. 16 units with commercial premises.

Next question: **based on the APS and APSLs signed in the last six months, what has been the profile of their clients? Are they first-time home buyers or investors?**

I interpret the content of the question as perhaps referring to a contract of obligation, not a contract in rem. A contract in rem is a formalisation of a contract of indebtedness, so to speak, that was previously concluded. This substantive purchase decision is within the framework of the contract of obligation. I think the substance of the question reflects who are the home buyers today who are making the decisions. Are they the first home buyers or are they the investors - they are the home buyers. You couldn't say they are first home buyers, our most typical client doesn't buy their first home from us, they would rather buy their second home from us. The proportion of investors is certainly lower than it has been on average in previous years. But it has also historically always been lower for us than for some other developers. Rather, we've always focused on the home buyer, and that's why we've had a lower proportion of investors.

Next question: **like your competitors, you refer in your report to the lengthy bureaucratic process of planning new developments - what would be important for you as a developer, what needs to change in the process and what has been behind the necessary changes so far?**

I don't know what they're behind, but above all the detail that they're trying to resolve with planning. How many different subjective judgements there are among officials and agencies who put forward their own ideas or call for studies and from those studies come up with new ideas and so on. To deal with all that, it takes a very, very long time.

I will give you perhaps a simple example, when we were looking at some plots in Germany, we were just offered a plot where the detailed planning was in progress and we were told that you can come with the planning so that we can agree on the prices, how much we will end up paying. If you look at the detailed plan, it looked exactly like the first detailed plans that were done in Tallinn in 1997. There was almost no difference at all, in terms of content, amount of information and so on. If you think about the history, we adopted a lot of legislation from Germany, including the Building Act and the Planning Act. But for some reason, after that, we started to kind of catch up. The things that had to be resolved in this planning, how exactly the location of the house had to be shown, how exactly access had to be decided, etc., just went on and on. All in all, this pile of paper, which today is no longer in paper form, but the amount of documents is enormous.

But in Germany, it is still the same as it was 30-40 years ago, very simple, not over-regulated so to speak, and with the next step, for example the building permit, the next things are already specified. So I don't know why it is that every time we have a problem, a single problem, they try to solve it by introducing new requirements for planning and then hope that the problem will not arise again. Apparently that is the way it has gone and apparently there is not the political courage to sort of shake it up and take a step back. I recently wrote an article about how Germany passed a law whereby implementing legislation would be made but allowed to deviate from any standards of convenience that were not safety related. I still have to inform clients that if you build flats that I do not comply with such and such and so on. This is possible, and they hope to reduce construction costs by 10 per cent and save quite a few billion in order to provide affordable housing in Germany. They are also over-regulating somewhere, but there needs to be some sort of major shake-up or back-step. They really have neither the public interest nor the will, but one could talk endlessly about this subject.

**Do you plan to continue with quarterly results presentations? These would be very welcome. Thank you for today's speech!**

Yes, we plan to. We'll try to do our part in 20-25 minutes, short and to the point. And then the questions side. And these will be available on our website later.

A couple of questions came in before, which seem to be quite similar in substance: **are there any more bond issues planned and when will Liven's IPO take place?**

Bond issues are planned. When we did our bond programme, the total amount of the programme is 30 million. We issued the first one for 6.2 million, so that is a signal that there will be more. When will they come? That will be made public on the stock exchange.

As regards the initial public offering of shares, both in our shareholders' agreement and in our internal targets we have a market launch. And again, I don't have any specific news on that, my own feeling is that if you look at the stock markets in general at the moment, today is perhaps not the best day to do that.

We have now answered all the questions that were sent in advance and asked on the spot. Many thanks for all the questions. Thank you very much for listening, and as Andero said, we will upload the materials of this webinar to the Investors subsection of our website. Thanks again for listening and hopefully see you in three months. Thank you, have a good day.