

Liven AS

Green financing report

1 January – 31 December 2025



Green financing report 2025

Reporting period: January – December 2025

This document contains an extract from the section “Green Financing Report 2025” (pages 35–38) of Liven AS’s 2025 Annual Report. The original document and the copy referred to by the auditors (page 6) are published together with the 2025 audited Annual Report on the Nasdaq Tallinn Stock Exchange.

Liven’s environmental focus areas and Green Financing Framework

Regardless of the shifts in public or political focus on sustainability, the underlying environmental challenges remain a constant reality for the construction and real estate sector. As developers, we recognise that our industry plays a tangible role in meeting environmental protection targets, and we believe that this responsibility must be approached with both professional integrity and a focus on long-term value.

For Liven, sustainability means integrating environmental considerations into our regular development processes in a way that is both impactful and cost-efficient. In real estate development, the environmental impact is determined mainly during the design phase, so this is where we focus our efforts. Our environmental strategy is built around three key focus areas:

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

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

3. Integration of sustainable materials. We are committed to tracking and replacing materials with high CO₂ emissions with sustainable alternatives, such as wood. This promotes a circular economy model, im-

proves resource efficiency and reduces our environmental impact.

In 2024, we formalised our existing plans and activities into Liven’s Green Financing Framework (**the Framework**). The Framework was created to align our core development activities with internationally recognised sustainability principles and to offer investors the opportunity to support our long-term environmental values. It follows the International Capital Market Association’s (ICMA) Green Bond Principles and the Loan Market Association’s (LMA) Green Loan Principles.

The Framework enables us to transparently track and report how financing supports projects expected to deliver measurable energy and emissions benefits. It also reflects our response to growing stakeholder expectations and evolving regulatory standards. The Framework has received an independent second-party opinion from the international credit rating agency S&P Global Ratings and this report should be read together with both documents.

In 2025, we moved on to refining the Framework’s practical application. We expanded our Green Portfolio by adding new eligible projects and successfully issued a second series of green bonds. Strategically, we focused on building internal competence and transitioning toward a Design-to-CO₂ approach, which involves making proactive design choices to ensure our environmental efforts are integrated, cost-efficient, and based on real-world data.



What qualifies a „green“?

The capital raised through green bonds can only be used to finance or refinance projects that meet the eligibility criteria set out in the Framework. The criteria are designed to align with the EU Taxonomy (on a best-effort basis) and support specific UN Sustainable Development Goals, such as reducing energy use and improving resource efficiency.

Essentially, to qualify, projects must be planned to meet at least one of the following criteria at completion:

- LEED certification (*Gold* or higher)
- BREEAM certification (*Very Good* or higher)
- KfW 40 standard (Germany)
- Energy performance at least 10% better than Class A (Estonia)

Green financing and Green Portfolio overview

Green bond issuance and reporting period

To finance projects eligible under the Framework, Liven raised 6.2 million euros through the first public offering of green bonds (ISIN: EE3300004332) in the Baltic real estate sector in May 2024 and a further 6.2 million euros through the second series of green bonds within the existing bond programme (ISIN: EE0000000354) in March 2025. The bonds are listed for trading on the Nasdaq Baltic regulated bond market.

All proceeds raised from the bonds are used exclusively to finance projects that meet the predefined eligibility criteria set out in the Framework. Under the Framework, Liven is required to publish an independently verified Green Financing Report annually until the total allocation of the funds is completed.

Green Portfolio – eligible projects

During the reporting period, Liven's Green Financing Working Group convened twice to review and confirm the eligibility of projects under the terms of the Framework. The following section outlines the current composition and progress of the Green Portfolio – i.e. the developments financed or refinanced using green bond proceeds – as well as the methods and data foundations being established to support future environmental impact reporting. During the year, no project lost eligibility as a result of the review process and two new projects were added.

As per the Framework, all Green Portfolio projects are new residential developments designed to achieve a nearly zero-energy building (NZEB) status in accordance with local standards once completed. They have also been assessed for material climate-related risks and are designed to meet at least one of the specific eligibility criteria specified in the Framework. The projects eligible for green financing (**the Green Portfolio**) in 2025, including the specific predefined eligibility criteria, are presented in the table below.

Project name	Project entity	Project stage (year-end)	Eligibility criteria
Regati	Liven Kodu 20 OÜ	I stage near completion	LEED Platinum
Wohngarten	Liven HW11 GmbH	Under construction	KfW 40
Olemuse	Liven Kodu 22 OÜ	Under construction	At least 10% better than Class A energy performance
Juhkentali 48	Liven Kodu 17 OÜ	Construction project	LEED Gold
Kadakadabra	Liven Kodu 10 OÜ	Detailed spatial plan	LEED Gold
Peakorter	Liven Kodu 18 OÜ	Detailed spatial plan	At least 10% better than Class A energy performance*
Linnamäe tee 21a	Liven Kodu 23 OÜ	Detailed spatial plan	At least 10% better than Class A energy performance*
Järveotsa tee 16c	Liven Kodu 24 OÜ	Detailed spatial plan	At least 10% better than Class A energy performance*

*The feasibility of international certification is yet to be assessed and decided.

Of the Green Portfolio projects, **Regati** has been designed to meet the LEED Platinum standard. Construction of the first phase was completed at the end of 2025 and the first LEED Platinum certificate for a residential building in Estonia was awarded in February 2026.

Construction of the **Wohngarten** project in Berlin and the **Olemuse** project in Tallinn began in 2025. The former has been designed to meet the KfW 40 criteria and is expected to be completed in early 2027. The latter has been designed to exceed the requirements for a Class A energy label by 10% and is expected to be completed late in 2026.

It has been decided that the **Juhkentali 48** project should be designed to meet at least the LEED Gold certificate requirements. The detailed spatial plan was approved during the year and the project is currently classified as a construction project.

The **Kadakadabra** and **Peakorter** projects are both in the detailed spatial planning phase, while the **Linnamäe tee 21a** and **Järveotsa tee 16c** projects are in the early stages of that phase. In 2025, we decided to design the Kadakadabra project to meet the LEED Gold criteria, but the final decision on whether to aim for an international certificate or an energy performance of at least 10% better than a Class A energy label is yet to be made for the remaining three projects.

Except for the Regati project, which was awarded the LEED Platinum certificate in January 2026, all other Green Portfolio projects are currently in either the construction or planning phase. As none of the buildings have been completed, no formal certifications can yet be carried out or obtained. However, as per the Framework, all Green Portfolio projects are on track to meet the criteria.

Impact report

As described in the previous section, our Green Portfolio projects are still in relatively early stages. The only exception is phase I of the Regati project, which was completed at the end of 2025 and certified at the beginning of 2026. Therefore, final certifications and operational data are currently unavailable. This timing is typical in green financing, where early investment precedes formal certification.

The primary challenge in assessing our projects' environmental impact is still the absence of a standardised national CO₂ calculation framework and locally verified lifecycle data. Current national datasets are incomplete and often rely on foreign proxies, such as Finnish data, which do not accurately reflect the Estonian manufacturing landscape.

Our 2025 pilot study, conducted within the framework of the non-green Iseära project, quantified these discrepancies, revealing that the national database provides specific data for only approximately half of the materials and components utilised in our developments. Furthermore, the study demonstrated that the generic values in these databases are, on average, 13% higher (i.e. more pessimistic) than those of the actual materials used on site over the building's lifecycle. This gap increases to 21% when focusing solely on the production stage, highlighting that generic reporting often fails to recognise the carbon savings achieved through specific material selection.

Given these persisting data gaps, we have concluded that highly detailed modelling is currently of limited value. Instead, we continue to provide preliminary impact estimates for our Green Portfolio based on the typical performance improvements associated with each certification type and energy class. These calculations compare estimated emissions against local minimum construction baselines and serve as indicative, best-effort benchmarks of our anticipated CO₂ savings until a formal national methodology and more robust local data become available.

In Estonia, the annual CO₂ emissions of buildings rated as energy class A are estimated to range from 15 to 20 kg CO₂ per square meter, depending on the energy source. We use a median reference value of 17.5 kg CO₂/m²/year and apply a 10% efficiency gain to "A+10%" buildings, resulting in 15.75 kg CO₂/m²/year.

In Germany, new residential buildings built according to the KfW 55 standard also emit approximately 20 kg CO₂/m²/year. Public data shows KfW 40 standard buildings are approximately 27.3% more efficient than the local minimum requirement, corresponding to an estimated 14.54 kg CO₂/m²/year.

For LEED-certified buildings, we have relied on publicly available industry data to estimate the typical reductions in carbon footprint achieved at different certification levels:

- **LEED Platinum:** ~30% lower emissions than the Class A baseline, i.e. 12.25 kg CO₂/m²/year;
- **LEED Gold:** ~15% lower emissions than the Class A baseline i.e. 14.88 kg CO₂/m²/year.

Based on current estimates, the Green Portfolio projects will collectively reduce CO₂ emissions by approximately 16.8% relative to local standards.

Project name	Project legal entity	Net area m ²	Baseline emission kg CO ₂ /year	Estimated emission kg CO ₂ /year	Savings kg CO ₂ /year	Savings %
Regati	Liven Kodu 20 OÜ	20,669	361,708	253,195	108,512	30.0%
Wohngarten	Liven HW11 GmbH	1,110	22,204	16,142	6,062	27.3%
Olemuse	Liven Kodu 22 OÜ	6,854	119,945	107,951	11,995	10.0%
Juhkentali 48	Liven Kodu 17 OÜ	7,986	139,755	118,792	20,963	15.0%
Kadakadabra	Liven Kodu 10 OÜ	26,632	466,060	396,151	69,909	15.0%
Peakorter	Liven Kodu 18 OÜ	8,872	155,260	139,734	15,526	10.0%
Linnamäe tee 21a	Liven Kodu 23 OÜ	9,521	166,618	149,956	16,662	10.0%
Järveotsa tee 16c	Liven Kodu 24 OÜ	7,987	139,773	125,795	13,977	10.0%
Total		89,631	1,571,322	1,307,716	263,606	16.8%

In 2025, we decided to adopt a Design-to-CO₂ approach for our new projects, integrating carbon impact assessments directly into the early design phase, alongside traditional cost management. This ensures that our sustainability efforts substantively influence construction decisions from the outset, enabling us to deliver tangible and practical environmental results. To facilitate this transition, we are providing our team members with advanced LEED professional training so they can serve as in-house consultants and lead environmental initiatives.

Our 2025 pilot studies have already validated the effectiveness of this proactive, data-driven direction, proving that our as-built performance is significantly more efficient than the generic national datasets currently available. By combining internal expertise with real-world data, we ensure that our sustainability governance is both technically sound and financially disciplined.

Allocation report

Green Account and Green Portfolio allocation approach

Liven maintains a dedicated Green Account through which all green financing transactions are processed. This account receives the gross proceeds from green financing and holds any unallocated amounts until they are invested in eligible Green Portfolio projects. For clarity, 'allocation' refers to the designation of green financing to eligible projects under the portfolio approach, both in the Framework and in this report. This includes direct transfers to project-owning legal entities, as well as proportionally assigned indirect allocations. The eligibility of allocated proceeds is ensured by allocating them only to projects that are planned to meet the eligibility criteria upon completion, including obtaining the necessary certificates.

A total of 12.4 million euros has been raised across the two green bond series (6.2 million euros each). In line with the Framework, any uninvested proceeds must be allocated within 24 months of issuance, or sooner if feasible. Until invested, unallocated amounts are held in liquidity reserves or short-term instruments, such as bank deposits. Series I funds were fully allocated by March 2025. As of 31 December 2025, the total allocated gross proceeds amounted to 10.1 million euros, with 2.3 million euros remaining unallocated and deposited in a bank account.

Green funds are allocated to eligible project-owning legal entities within the Liven group in the form of subordinated internal lending, which constitutes **direct allocation**. For efficiency and flexibility, the Green Account is also used to make interest payments on green bonds, as such payments benefit the underlying green projects, fall within the Framework's portfolio allocation approach and are deemed eligible costs. This constitutes **indirect allocation** of the proceeds, whereby interest costs are proportionally attributed to each project based on its time- and allocation-weighted share of the financing, including both actual and estimated usage.

As development projects generate limited income before completion, recurring costs across both green and non-green projects are typically financed through internal lending within the Liven group. Green financing operates in a similar manner, i.e. without a one-to-one matching against specific invoices. Where previous external or internal borrowing has been refinanced with green financing, the amounts are identified as 'refinancing'.

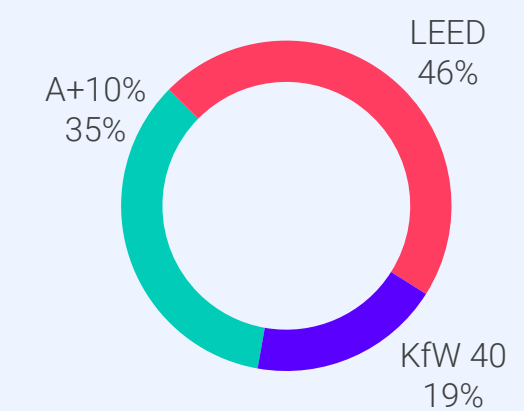
Liven defines brownfield as follows:

Land affected by former uses, more specifically a site which:

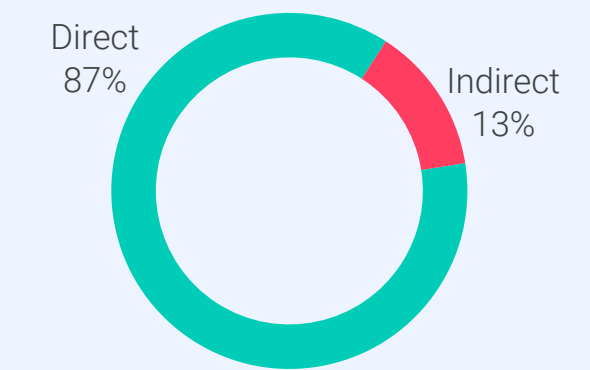
- has been affected by former uses of the site or surrounding land;
- is derelict or underused;
- is mainly in fully developed or partly developed urban areas;
- requires intervention to bring back to beneficial use; and/or
- may have real or perceived contamination problems.

Breakdown of allocated financing by:

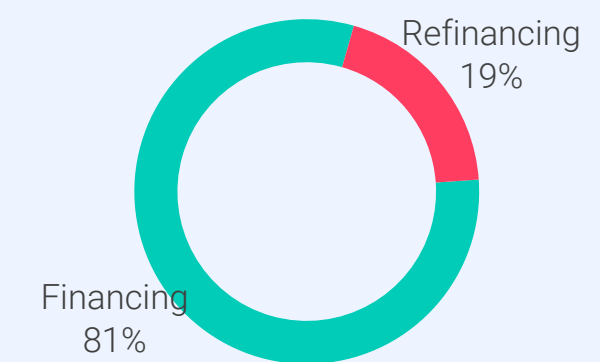
Eligibility criteria



Allocation type



Usage type





Independent Practitioner's Limited Assurance Report

To the Management of Liven AS

(Translation of the Estonian original)

Report on Green Financing Report

Scope of the Limited Assurance Engagement

We have been engaged by the management of Liven AS (hereafter 'Liven') to provide limited assurance on the selected green financing information as specified in the next section of our report.

Information Subject to the Limited Assurance Engagement

The selected green financing information presented in the 'Green Financing Report 2025' section of Liven's Annual Report for the year ended 31.12.2025 on pages 35-38 (hereafter the "Report") for the reporting period January 1–December 31, 2025 subject to the limited assurance (hereafter "Selected Green Financing Information") consists of the following information:

- The total allocated gross proceeds amounted to EUR 10.1 million with EUR 2.3 million unallocated and being deposited on bank account, as presented on page 38 of the Report.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Selected Green Financing Information subject to the limited assurance engagement is not prepared, in all material respects, in accordance with the reporting criteria defined later in this report.

Basis for Conclusion

We performed our limited assurance engagement in accordance with International Standard on Assurance Engagements (Estonia) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE (EE) 3000 (Revised)).

Our responsibilities under this standard are further described in the Responsibilities of the Independent Practitioner section of our report.

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

Independent Practitioner's Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as well as the ethical requirements applicable to limited assurance engagements in Estonia.

Our firm applies International Standard on Quality Management (Estonia) 1 (Revised), which requires the audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical

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.

requirements, professional standards and applicable legal and regulatory requirements.

Management's Responsibilities

The management of Liven is responsible for the preparation and presentation of the Selected Green Financing Information in accordance with the reporting criteria, i.e. in accordance with Liven's Green Financing Framework published on Liven's website and Liven's internal reporting principles presented on page 38 of the Report (hereafter the 'Reporting Criteria'). This responsibility also includes designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of Selected Green Financing Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of Sustainability Information

It is characteristic of reporting on green finance information that preparation of this kind of information includes estimates and assumptions as well as measurement and estimation uncertainty.

Responsibilities of the Independent Practitioner

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the Selected Green Financing Information subject to the limited assurance is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the Selected Green Financing Information.

Compliance with the International Standard on Assurance Engagements ISAE (EE) 3000 (Revised) requires that we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the Selected Green Financing Information, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance 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.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. 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.

Description of the Procedures Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. The procedures performed in a limited assurance engagement primarily consist of making inquiries and applying analytical procedures. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included, among others, the following:

- We interviewed Liven's personnel responsible for collecting and preparing the Selected Green Financing Information.
- We assessed whether the projects to which the total allocated gross proceeds have been allocated are eligible

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.

projects as per the Reporting Criteria.

- We assessed whether the total allocated gross proceeds have been transferred to the project’s legal entity bank account (in case of direct allocation) and whether the interest payments have been made to Nasdaq (in case of indirect allocation).
- We verified the balance of unallocated funds held on the bank account as at 31 December 2025.
- Through interviews, we gained an understanding of the key processes related to collecting and consolidating the Selected Green Financing Information.
- We assessed the accuracy of the Selected Green Financing Information through an inspection of the background documentation and documents prepared by Liven on a sample basis and assessed whether they support the presented Selected Green Financing Information.
- We assessed the application of the reporting principles of the Reporting Criteria in disclosing the Selected Green Financing Information

Tallinn, 12 March 2026

/signed digitally/

Siim Kannistu

Certified Public Accountant No 607

KPMG Baltics OÜ

Licens no 17

KPMG Baltics OÜ

Ahtri tn 4

Tallinn 10151

Eesti

Tel +372 626 8700

www.kpmg.ee

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.

