

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: KS Livonia Partners Fund II AIF (the "Fund")

Legal entity identifier: 9845006558BBOB6CC523 (Livonia Partners GP AIFP SIA)

Version 1.0, March 2026

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? <i>[tick and fill in as relevant, the percentage figure represents sustainable investments]</i>	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promotes environmental and social characteristics by investing in companies that do not have a significant negative impact¹² to environmental or social objectives, supported by a defined exclusion list and ESG risk screening at the investment stage.

The Fund II portfolio remains primarily composed of companies operating in sectors with moderate to low inherent ESG risk, including ICT, healthcare, and industrial solutions. These businesses contribute to environmental and social objectives through digitalisation, resource efficiency, and the provision of products and services aligned with climate and societal needs.

In 2025, the Fund expanded its Fund II portfolio with the investment in Medicum, a private healthcare provider. The company operates in a medium ESG risk sector¹³ with inherent positive social impact, focusing on quality of care, patient data protection, employee well-being, and operational efficiency. Following the investment, ESG priorities were formalised, including governance policies and initial environmental actions such as an energy audit to identify efficiency improvements.

During the year, the Fund continued to strengthen ESG implementation across Fund II portfolio companies, with a clear shift from framework-building toward execution.

Progress was observed across several areas within the Fund II portfolio:

- **Climate action:** All portfolio companies measure greenhouse gas emissions across Scopes 1–3 and have identified key emission drivers and reduction opportunities. Approximately half of the companies have set long-term emissions reduction targets, reflecting a transition from measurement toward structured decarbonisation.
- **Environmental performance:** Green contributions reached €12 million, driven primarily by circular production and resource efficiency initiatives, particularly at Bagfactory. Several companies, including Digmatix and CSUB, transitioned to renewable electricity, contributing to a significant increase in renewable electricity usage across the portfolio.
- **Social factors:** All companies monitor employee satisfaction. The unadjusted gender pay gap decreased from 34% to 21%, supported by improved data systems and compensation frameworks.
- **Governance:** Governance practices continued to strengthen, with 91% of companies having both a code of conduct and whistleblowing mechanisms in place. Board gender diversity improved to 21%.

The Fund maintained active ownership, supporting portfolio companies in identifying ESG risks, implementing policies, improving data availability, and integrating ESG considerations into operational and strategic decision-making.

¹² How can the company affect society and environment in its ecosystem - what are the negative impacts of the companies on the environment and society and how effectively these could be managed or mitigated.

¹³ Sustainability risks that can affect the company's financial value - how unfolding environmental, social and governance fields could affect the market conditions, supply chain and operations of the companies in the funds

In line with its commitment to allocate at least 10% of Fund II capital to environmentally beneficial activities, the Fund exceeded this target, reaching approximately 22.5% of committed capital allocated to investments contributing to climate mitigation, resource efficiency, and circular economy initiatives.

Overall, the environmental and social characteristics promoted by the Fund were met to a significant extent within the Fund II portfolio. The Fund not only maintained alignment with its stated approach but also exceeded key commitments, while continuing to embed ESG considerations into core business operations. Progress remains ongoing, particularly in translating climate plans into measurable emissions reductions, but the overall direction is consistent and supported by tangible outcomes.

● **How did the sustainability indicators perform?**

In 2025, green investments accounted for 22.5% of the Fund’s invested capital, exceeding our 10% target. These investments are expected to contribute to emissions reductions across portfolio companies, particularly through circular production, energy efficiency, and lower-carbon technologies.

The share of renewable energy reached 34.2% of total energy consumption across portfolio companies. Progress in total energy was more moderate, reflecting both structural constraints and portfolio changes. In particular, the addition of Medicum—where renewable energy sourcing has not yet been implemented—diluted overall progress. As a result, a key priority going forward is to improve energy efficiency within Medicum’s operations and support its transition toward renewable energy sourcing.

At the same time, renewable electricity adoption accelerated significantly, reaching 85.4% of total electricity consumption. This increase was driven by several companies transitioning to renewable electricity during the year, including Digmatix and CSUB, alongside continued full renewable sourcing at Bagfactory. These shifts reflect the scalability of renewable electricity as a decarbonisation lever across sectors.

Despite this progress, increasing the share of renewable energy overall remains a priority. Progress is slower where companies rent the facilities, especially in industrial processes. In the coming years, the Fund will continue to work closely with portfolio companies to expand renewable energy sourcing and ensure that new investments integrate this approach from the outset.

Environmental

Green contributions	Scope 1, 2 and 3 emissions (tonnes CO2e)	Renewable energy, % of total energy	Renewable electricity, % of total electricity
22.5%	73,280	34.2%	85.4%

In 2025, workplace safety remained an important focus area across the Fund II portfolio. A total of 11 work-related accidents were recorded, including eight at Bagfactory and three at Medicum. All incidents were minor and did not result in serious consequences.

At Bagfactory, the increase from four incidents in 2024 to eight in 2025 reflects the challenges associated with scaling manufacturing operations. In response, the company strengthened its health and safety approach by addressing behavioural and operational risk factors, including safe working practices, use of protective equipment, and workplace organisation.

At Medicum, three work-related incidents were recorded during its first year in the portfolio. As a healthcare provider with multiple operational sites, the focus going forward will be on embedding consistent health and safety practices alongside broader operational improvements.

At the Fund II level, the accident rate amounted to 7.9 incidents per 1,000 FTEs, below the EDCI benchmark of 11.8, indicating relatively strong performance compared to peers. At the same time, the concentration of incidents in operational environments highlights the need for continued focus on safety in both manufacturing and service delivery settings.

Across the portfolio, employee engagement practices are now fully established. All Fund II companies monitor employee satisfaction, representing an improvement from 2024 when coverage was not yet complete. While some variation in results reflects ongoing integration and growth phases—particularly in rapidly scaling businesses—this provides a more consistent foundation for workforce management and targeted improvements.

Pay equity also showed progress. The unadjusted gender pay gap decreased to 21%, supported by improved data quality and more structured compensation frameworks, particularly in ICT companies. At Digmatix, the implementation of a centralised HR system significantly improved the accuracy of pay gap analysis, enabling a shift from previously overstated figures to a more reliable assessment and targeted follow-up actions.

At Bagfactory, the gender pay gap remains elevated due to structural factors, particularly occupational segregation between higher-paid technical roles and lower-paid production roles. The company continues to address this through a structured pay range system based on role and experience, improving transparency and consistency in remuneration.

At CSUB, the gender pay gap shifted from a negative position in 2024 to a positive gap in 2025, reflecting changes in workforce composition rather than structural policy changes. This highlights the importance of continued monitoring and deeper analysis, particularly in smaller teams where individual role changes can have a significant impact on reported figures.

Overall, social performance in 2025 reflects a more mature stage of implementation. Core systems—such as employee satisfaction tracking, compensation frameworks, and safety management practices—are now in place across the Fund II portfolio. While challenges remain, particularly in manufacturing safety and structural pay gaps, the portfolio is increasingly equipped to address these issues in a systematic and data-driven way.

Social

Total number of work-related accidents	% of companies monitoring employee happiness	Average employee annual attrition	Average unadjusted gender pay gap of investee companies
11	100 % monitor	33.7%	21%

In 2025, women held 22% of board seats across Fund II portfolio companies, reflecting continued progress in strengthening gender diversity at the governance level. While further improvement is needed to reach balanced representation, recent appointments indicate a gradual shift toward more inclusive board composition.

Governance practices continued to strengthen across the portfolio. 86% of companies have implemented a Code of Conduct and whistleblowing mechanisms, ensuring that core policies are in place to support ethical business practices, accountability, and alignment with the UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

The remaining gap relates to Medicum, which joined the portfolio in 2025. The company is currently in the process of formalising its governance framework, with both a Code of Conduct and whistleblowing mechanism expected to be implemented in the first half of 2026.

No violations of the UN Global Compact principles or OECD Guidelines for Multinational Enterprises were identified during the reporting period.

Governance

% women in board	% companies that have code of conduct	% of companies that have whistleblowing/grievance mechanisms	Total number of violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
22%	86%	86%	0

● ***...and compared to previous periods?***

Compared to 2024, environmental performance showed continued progress, although developments were influenced by both operational improvements and portfolio changes. Green contributions increased further, supported by continued investment in circular production, resource efficiency, and environmental initiatives across the portfolio. This reflects a shift from initial identification of opportunities toward more consistent capital allocation.

Total emissions decreased to 73,280 tonnes of CO₂e, primarily reflecting slower growth for Bestair (given use of sold products has extensive impact) and whilst in others following the growth trend of scaling activities across portfolio companies. At the same time, emissions trends varied by company, with some early signs of decoupling emergin at Bagfactory.

Renewable energy and electricity adoption showed more visible progress compared to the previous year. Renewable electricity reached 85.4%, driven by companies such as Digmatrix and CSUB transitioning to renewable sources. However, total renewable energy usage increased more gradually to 34.2%, reflecting structural constraints, including reliance on fossil fuels in transport and industrial processes, as well as the addition of Medicum, which has not yet transitioned to renewable energy. Progress also remains slower in companies that rent their facilities, where control over energy sourcing is more limited.

On workplace safety, reported incidents increased compared to the previous period, driven primarily by operational scaling at Bagfactory and the addition of Medicum to the portfolio. While most incidents were minor, this highlights the need for continued focus on safety management as companies grow.

The unadjusted gender pay gap improved to 21%, supported by better data quality and more structured compensation frameworks, particularly in ICT companies. This reflects progress

compared to the previous period, while continuing to highlight structural drivers such as occupational segregation in certain sectors.

Board gender diversity continued to improve, with female representation reaching 22%, up from the previous year. This reflects recent appointments and a more structured approach to board composition across the portfolio.

Overall, compared to previous periods, the portfolio shows a clear progression from initial ESG framework development toward more consistent implementation. While some indicators are influenced by portfolio changes and growth dynamics, the underlying trend reflects improved data quality, stronger governance structures, and more systematic integration of ESG considerations into business operations.

Environmental

Green contributions	Scope 1, 2 and 3 emissions (tonnes CO2e)	Renewable energy, % of total energy	Renewable electricity, % of total electricity
10.5%	90,218 ¹⁴	32.4%	67.7%

Social

Total number of work-related accidents	% of companies monitoring employee happiness	Average employee annual attrition	Average unadjusted gender pay gap of investee companies
4	83.3 % monitor	16.0%	35.1%

Governance

% women in board	% companies that have code of conduct	% of companies that have whistleblowing/grievance mechanisms	Total number of violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
9.4%	83.3%	83.3%	0



How did this financial product consider principal adverse impacts on sustainability factors?

While we integrate ESG factors into our investment process (as outlined in our ESG Policy), we do not currently assess all Principal Adverse Impacts (PAIs) as defined in Annex I of Regulation (EU) 2019/2088 before making investment decisions. This is primarily due to the nature of our portfolio, which consists of small and medium-sized private companies that do not yet have standardized PAI reporting processes in place. As a result, the required data is often unavailable at the pre-investment stage.

¹⁴ Wildix moved its GHG emission calculations to another advisory, which resulted in a shift in methodology (still aligned with GHG protocol).

However, post-investment, we systematically assess and track all mandatory PAI indicators, working closely with portfolio companies to enhance their reporting capabilities and proactively manage sustainability risks.

It is important to note that our methodology for reporting sustainability indicators differs from the PAI framework. For the metrics presented in the previous section, we do not adjust KPIs to reflect our ownership share in each company. Instead, we report absolute figures to provide a clearer picture of the full environmental and social impact of our investee companies.

For the PAI metrics presented below, we follow the methodology provided by the SFDR, ensuring compliance with regulatory reporting requirements.

- Greenhouse Gas Emissions (GHG)
 - **scope 1** 43.38 tonnes Co2e;
 - **scope 2** 87.18 tonnes Co2e;
 - **scope 3** 4,635.15 tonnes Co2e;
 - **total GHG emissions:** 4,765.71 tonnes Co2e;
 - **carbon footprint:** 32.27
- Energy Transition – Renewable energy adoption remains a key focus area. Our portfolio companies’ non-renewable energy consumption stands at 65.8%.
- Biodiversity & Pollution – Our portfolio companies do not operate in biodiversity-sensitive areas, with 0% exposure to activities negatively affecting these areas. Emissions to water remain at zero, while hazardous waste generation is €0.11 per million EUR invested.
- Social & Governance Factors – We actively engage with companies to improve governance and social responsibility:
 - Unadjusted gender pay gap: 31.55% (adjusted to our ownership)
 - Women in boards: 20.4%
 - Workplace safety: Four work-related accidents recorded, all non-severe
 - Compliance with UN Global Compact (UNGC) and OECD Guidelines: 15.8% of portfolio companies still lack formal compliance mechanisms, which remains an area for improvement.
 - Human Rights & Anti-Corruption – We maintain 0% exposure to companies involved in controversial weapons or fossil fuel activities, and no violations of anti-corruption or anti-bribery laws were recorded across our portfolio. However, 16% of portfolio companies still lack a formal human rights policy, an area we continue to address.



What were the top investments of this financial product?

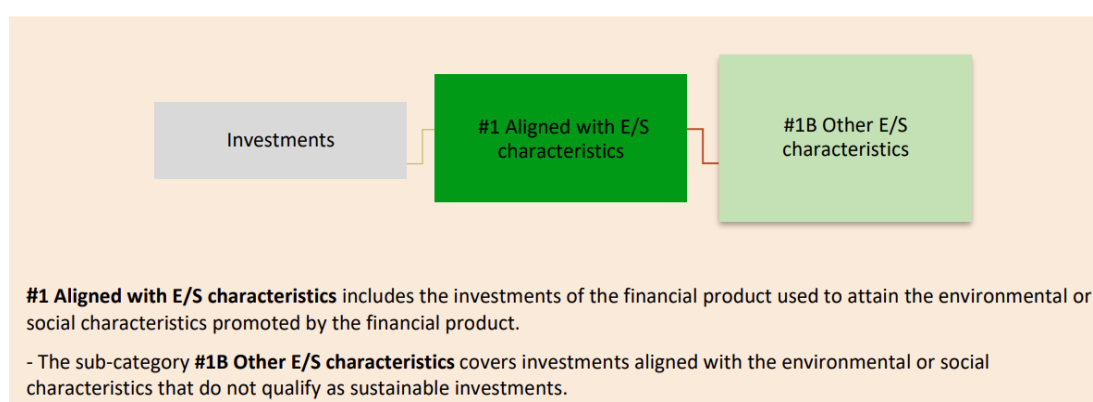
Largest investments	Sector	% Assets*	Country
Medicum	Q86 – human health and social work activities	15.3%	Estonia

* of invested assets as of 31st December 2025.

What was the proportion of sustainability-related investments?

● What was the asset allocation?

100% was allocated to companies that promote E/S characteristics (#1B in the graph below)



● In which economic sectors were the investments made?

Healthcare services.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

No investments are included under “#2 Other”.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

In 2025, the Fund focused on translating ESG commitments into concrete actions across the Fund II portfolio, with a shift from initial framework development toward implementation.

At the investment stage, all opportunities continued to be screened against exclusion criteria and assessed for ESG risks and value creation potential. For the new investment in Medicum, ESG priorities were defined at entry, including governance formalisation and identification of energy efficiency opportunities through an energy audit.

Across the portfolio, ESG requirements remained embedded in shareholder agreements and ownership practices. The Fund maintained active oversight through Investment Committee involvement and regular engagement with portfolio companies, ensuring that ESG topics are addressed at both management and board level.

On climate, the Fund completed a key milestone: all Fund II portfolio companies now measure greenhouse gas emissions across Scopes 1–3 and have identified their main emission drivers and reduction opportunities. Building on this, approximately half of the companies have set long-term emissions reduction targets, marking a shift from measurement to structured decarbonisation planning.

Concrete actions during the year included:

- Transition to renewable electricity at Digmatix and CSUB
- Continued use of 100% renewable electricity at Bagfactory
- Identification of energy efficiency improvements at Medicum
- Increased use of circular materials and production efficiency improvements, particularly at Bagfactory

To support environmental objectives, the Fund further embedded the tracking of green contributions into portfolio company planning and monitoring. This improved transparency on capital allocation toward environmental initiatives and supported progress toward the Fund's environmental commitment.

On the social side, actions focused on strengthening data, systems, and management practices. All portfolio companies now monitor employee satisfaction, providing a consistent basis for workforce management. Companies such as Digmatix and Wildix implemented more structured compensation frameworks, improving transparency and enabling better monitoring of pay equity.

Workplace safety remained a focus, particularly in operational environments. In response to incidents at Bagfactory and the onboarding of Medicum, companies reinforced safety practices, including improved procedures, training, and risk management measures.

Governance actions included the continued rollout of Codes of Conduct and whistleblowing mechanisms, now implemented in 86% of portfolio companies. For Medicum, these are in the process of being introduced, with completion expected in the first half of 2026.

Overall, the actions taken in 2025 reflect a transition from establishing ESG frameworks to embedding them into operational decision-making. ESG considerations are increasingly integrated into areas such as energy sourcing, workforce management, governance structures, and capital allocation across the Fund II portfolio.