# Kustom

Year-end report 2024

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## Quarter 4: October 1 – December 31

### Net income

# SEK 378m

### Operating profit

# SEK 87.3m

### Net profit

# SEK 41.2m

### Cash flow from operating activities

# SEK 112.5m



## Key events during the quarter

- On October 1, 2024, a capital contribution was received from Kustom HoldCo AB as part of the financing of the transaction mentioned below.
- On October 1, 2024, Kustom BidCo AB (publ) acquired all shares in Larkan XII AB, now referred to as Kustom AB.
- During the quarter, the company entered into a strategic collaboration with the American payment processing company Stripe. The collaboration includes infrastructure for payments and enables a number of new features and payment methods for Kustom's customers (merchants). Our new payment infrastructure has already been tested by selected merchants.
- During the period, Kustom established an independent business, including a product and development organization, customer service and a sales organization with a local presence in Sweden, Norway and Finland. Furthermore, the management team has been expanded through the recruitment of a new Chief Technology Officer (CTO) and Chief Operating Officer (COO). Both of these took office at the beginning of January 2025. To enable this growth, a new head office has been opened in central Stockholm.

## Full-year period: 1 January – 31 December

Net income

# SEK 378m

Operating profit

# SEK 86.9m

Net profit

# SEK 0.7m

Cash flow from operating activities

# SEK 114.2m



## Key events during the quarter

- On July 11, 2024, Kustom BidCo AB issued a bond to finance the acquisition of Kustom AB.

## Key figures

| (Amounts in SEKm unless otherwise stated) | 2024 Oct–Dec | 2023 Oct–Dec | 2024 Jan–Dec | 2023 Jan–Dec |
|---|---|---|---|---|
| Net income | 378.0 | – | 378.0 | – |
| Operating profit | 87.3 | – | 86.9 | – |
| Net profit | 41.2 | – | 0.7 | – |
| Cash flow from operating activities | 112.5 | – | 114.2 | – |
| Equity ratio | 14.1% | – | 14.1% | – |

# "We are leading the evolution of commerce and setting a new standard."

**Kamjar Hajabdolahi, CEO**

# CEO commentary

Kustom has had an eventful first quarter as an independent company. With the formal separation from Klarna finalized in October, the overall business performance remains in line with expectations, with both top- and bottom-line performance tracking according to plan.



## Organizational growth

Frank Hoffman was recruited as CTO and Erik Olofsson as COO, to further strengthen Kustom's technological infrastructure and strategic development. They started their new positions in January 2025. Frank's deep expertise in building Klarna's original checkout, combined with Erik's experience from Stripe, are instrumental in positioning Kustom as a leading player in payment infrastructure.

Our overall organizational expansion is progressing according to plan. At the end of December 2024, Kustom had a total workforce of 80 people.

## Stripe partnership and upgraded platform

The strategic partnership with Stripe is progressing as planned, and the migration of customers from Klarna to Kustom's Stripe-powered platform is ahead of schedule. On December 20th, 2024, we successfully processed the first merchant transaction on the new, upgraded platform, marking a key milestone in our transition. We are now preparing for a gradual migration of the full customer portfolio throughout 2025, ensuring a seamless transition.

## Business growth in line with expectations and market conditions

Kustom's business growth remains in line with expectations, with steady progress across all key areas. The acquisition of new merchants is proceeding as planned, with almost 600 new transacting merchants joining in Q4 as well as several enterprise renewals.
In the quarter, Sweden, our biggest market, has performed better compared to other Kustom markets. This is primarily due to other markets being affected by planned merchant churn following the carve-out.

## Seasonal variations

As a well diversified business with coverage across all major e-commerce segments in the Nordics and Northern Europe, Kustom continues to align with broader retail trends. The annual trading volume during the fourth quarter amounted to c. SEK 38.5 billion. This is also our strongest quarter, as in line with previous years. As expected, we observed higher daily peaks over the holiday season, including Black Friday and Cyber Monday.

## Outlook

Together with our team, we have been fully focused on our carve-out and build-up process, ensuring a seamless transition for our merchants while strengthening our independent platform. Meanwhile, our commercial team has actively engaged with our customers, keeping them informed about where we stand today and where we are heading. The response has been overwhelmingly positive, with several enterprise customers signing new contracts, such as Apotea, First Camp, Dormy and Best of Brands, reaffirming trust in our platform and vision.

Our merchant-first approach remains at the core of everything we do. Continuous iteration and collaboration with our customers are crucial as we prepare to scale further as an independent platform. This independence allows us to introduce new payment methods, omnichannel capabilities, strengthen our global offering and drive innovation, all in line with our vision - to orchestrate and simplify commerce for our merchants.

## Industry shifts & regulatory movements

We are observing important shifts and anticipate developments in credit regulations, as well as increased consumer demand for transparent and fair payment options. This reinforces the importance of offering solutions that drive conversion and repeat purchases for our merchants, while ensuring fair terms for shoppers. This aligns well with our business strategy to provide the best shopper experience by securing consumer friendly payment options – as well as our values. While noting that this is far from industry standard, exposing several of our competitors to significant regulatory risk, Kustom is well equipped to the shifting regulatory landscape, ensuring long term sustainability.



## Our competitive advantage in a changing regulatory landscape

As the payments industry continues to evolve, our scale, flexibility and independence make us uniquely positioned to drive change and capture new opportunities.

- **Transparency, no hidden agendas**
  As an independent company we are not tied to specific payment methods or e-commerce platforms. We remain neutral and focused on securing the best possible payment methods and features across multiple providers.

- **Independence opens the door for new partnerships**
  Besides being merchant focused, we are also unrestricted when it comes to choosing partners. Our independence allows us to partner with leading third party providers, seamlessly introduce new features and support omni-commerce strategies.

- **Regulatory readiness & long-term sustainability**
  With increased scrutiny on fair credit terms and consumer protection, we are well-aligned with upcoming regulatory frameworks, ensuring that our model remains future-proof.

While competitive dynamics continue to shift, our commitment to merchant success, transparency, and innovation remains unwavering. By staying agile and focused, we are not only adapting to industry changes—we are leading the evolution of, and setting a new standard for commerce.

Kamjar Hajabdolahi, CEO

# Kustom in brief

Kustom is a fintech company offering one of Europe's leading checkout solutions. With the most efficient and customizable product on the market, Kustom helps merchants tailor their checkout experience to their unique needs. By gathering innovative and scalable features, the company ensures market leading conversion rates and drives repeat purchases.

Kustom was founded in 2024 following the divestment of Klarna Checkout (KCO). A group of Swedish entrepreneurs, led by Kamjar Hajabdolahi and BLQ Invest, acquired the checkout business with a vision to create a dedicated, merchant-first company focused on developing the best checkout solution on the market.

Since becoming an independent company, Kustom has recruited several key team members with substantial experience, and a long history of building and developing the checkout product. They have joined Kustom in both executive roles and as investors, alongside other industry leaders. This ensures continuity while driving new innovation.

Today, Kustom has 24,000 connected merchants across 18 markets, processing transactions in over 170 countries. The company is the largest operator in the Nordics. Kustom has a total workforce of 80 people.



## Strategy

Kustom's offer goes beyond processing payments, it orchestrates the entire checkout experience. The company operates with a merchant-first approach and aims to integrate a growing number of best-in-class checkout features, in areas such as payment methods, shipping options, loyalty programs, data insights and personalization. While maintaining a high degree of customizable features, Kustom also strives to unify online and in-person payments in one comprehensive, user-friendly platform. This enables merchants to fully customize their checkout, minimizing technical complexity, drive conversion and repeat purchases. In summary: empowering merchants to shape commerce on their terms.

The name Kustom reflects the company's vision of offering a high degree of customization for merchants. It also represents Kustom's ongoing commitment to being responsive to merchants' needs through product development and innovation.

As a profitable and fast-paced company, Kustom is currently focused on strengthening its offering with new payment methods, enhanced customer support, and a new technical platform that lays the foundation for future growth. Kustom is actively pursuing geographical expansion, while maintaining a strong local focus, particularly in the Nordics.

Kustom's long-term goal is to become the leading checkout solution in Europe.

# Financial performance in the fourth quarter

## 1 October – 31 December 2024

No operations occurred in the Group before 3 July 2024.
Therefore, figures relating to the comparative quarter last year are non-existing.



## Net income

Net income for the quarter amounted to SEK 378.0 million. Due to seasonal effects, mainly Holiday shopping, the fourth quarter is the Group's strongest quarter in terms of net income.

## Operating profit

Operating profit for the quarter amounted to SEK 87.3 million. Operating profit was impacted by non-recurring costs amounting to SEK 11.7 million attributable to acquisition costs.

## Tax

The Group's effective tax was 25 percent.

## Net profit

Net profit for the period amounted to SEK 41.2 million.

## Liquidity and cash flow

Cash flow from operating activities amounted to SEK 112.5 million.
Cash flow from investing activities amounted to SEK -1,970.0 million.
Cash flow from financing activities amounted to SEK 403.0 million.
Cash flow for the quarter amounted to SEK -1,454.4 million.

The negative cash flow during the period is mainly attributable to the acquisition of Kustom AB. At the end of the period, the Group's cash and cash equivalents amounted to SEK 194.7 million.

## Financial position

The equity/assets ratio amounted to 14.1 percent as of December 31, 2024 and equity amounted to SEK 338.4 million. Total assets amounted to SEK 2,407.5 million.

# Financial performance for the full year

## 1 January – 31 December 2024

No operations occurred in the Group before 3 July 2024.
Therefore, figures attributable to the previous year are non-existing.



## Net income

Net income for the full-year period amounted to SEK 378.0 million.

## Operating profit

Operating profit for the full-year period amounted to SEK 86.9 million. Operating profit was impacted by non-recurring costs amounting to SEK 11.7 million attributable to acquisition costs.

## Tax

The Group's effective tax rate for the full year was 95 percent. The difference compared to the current tax rate is mainly attributable to temporary differences between carrying amounts of assets in the Group and their tax base.

## Net profit

Net profit for the full-year period amounted to SEK 0.7 million.

## Liquidity and cash flow

Cash flow from operating activities amounted to SEK 114.2 million.
Cash flow from investing activities amounted to SEK -1,970.0 million.
Cash flow from financing activities amounted to SEK 2,050.3 million.
Cash flow for the full-year period amounted to SEK 194.6 million.
At the end of the period, the Group's cash and cash equivalents amounted to SEK 194.7 million.

## Key events after the reporting period

On February 26 2025, Kustom Mobile POS was announced—a solution that enables physical card payments using a normal smartphone. Mobile POS is the first solution in the Nordics to integrate online and in-store payments into a unified system. This offers a simple way for merchants to introduce in-person sales.

## Employees

The total workforce of the Group as of December 31, 2024 amounted to 80 people, of which 49 were full-time employees.

## Risks and uncertainties

Kustom's operations are exposed to risks and uncertainties that may affect the results or financial position to varying degrees. These can be divided into operational risks and financial risks. Risks are measured, controlled and, if necessary, remedied to protect the Group's capital and reputation. When assessing the Group's future development, it is important to consider these risk factors.
Some of the most significant operational risks are linked to the following factors:

**Macroeconomic effects**
The aggravated macroeconomic conditions of recent years, which have been reflected in increased interest rates, rising inflation and increased energy prices, may have a negative impact on consumer demand thus affecting the business of Kustom's customers (merchants). Kustom cannot currently see any noticeable effect on the Group's financial performance.

**IT security, operational disruptions and technical development**
Kustom conducts operations that are heavily dependent on IT infrastructure and security to maintain service delivery. Furthermore, the Group operates in an industry with rapid technological development, which requires continuous development of products and services in order to maintain competitiveness.

**The ability to recruit and retain competence**
Kustom is dependent on the knowledge, experience and commitment of its employees, and to some extent consultants, for continued development. The Group is also dependent on key individuals at management level. There are risks associated with the Group's ability to recruit and retain key competence, which may result in adverse effects on the Group's operations, earnings and financial position.

Kustom is primarily exposed to financial risks in the form of credit risk, liquidity and refinancing risk, and market risk (currency risk and interest rate risk). The Group is exposed to credit risk in the form of financial assets such as trade receivables and cash and cash equivalents as well as certain financial guarantees under agreements with payment providers, which are minimized by the fact that Kustom receives the majority of its revenues through deductions of transaction settlement amounts. The Group is primarily exposed to interest rate risk through its bond loan and other credit facilities. Only a minor currency risk exists. The Group generates positive cash flow from operating activities, which is estimated to cover liquidity needs.



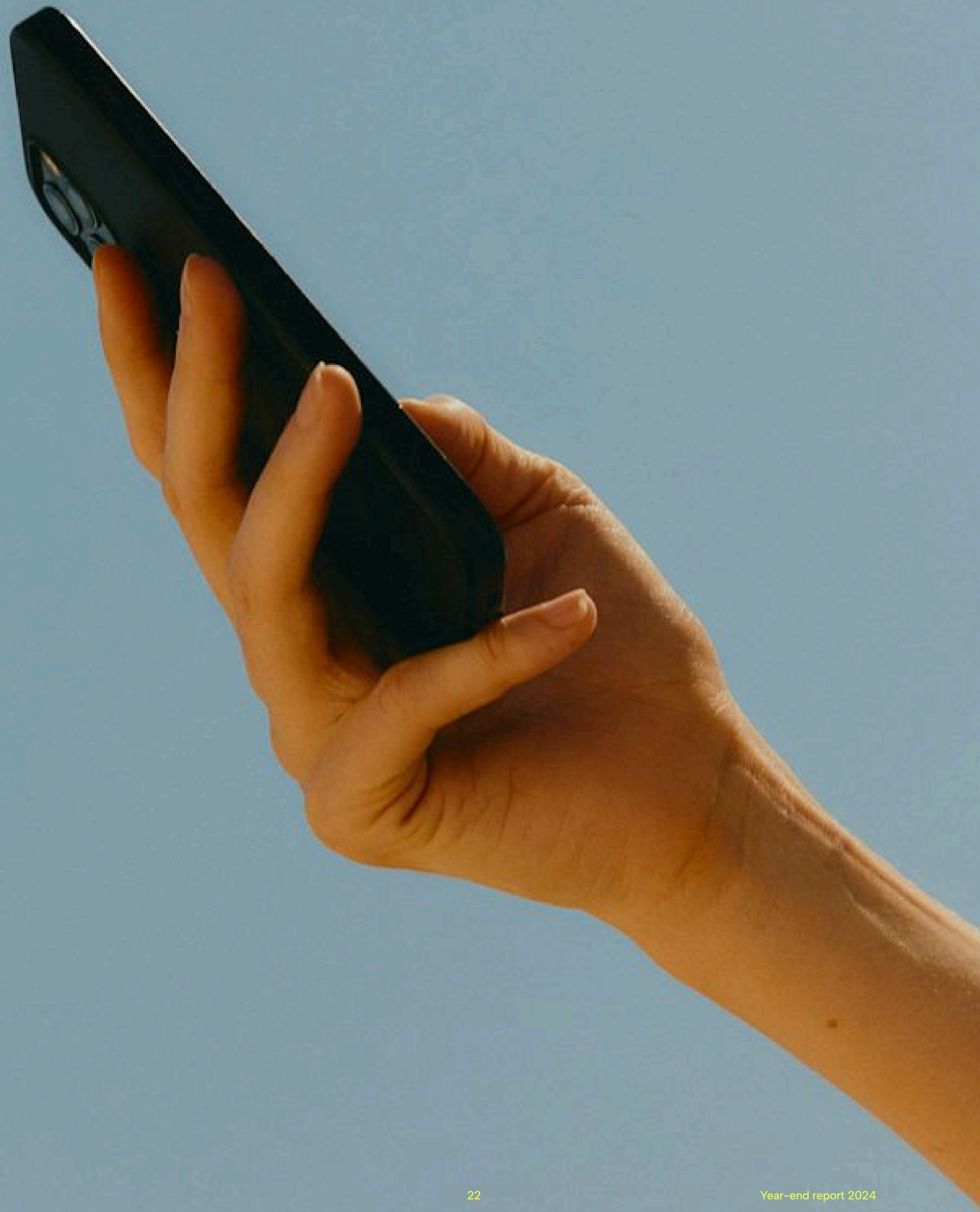
## Parent company

During the period, the Parent Company issued a bond and received a capital contribution from its parent company Kustom HoldCo AB.

No dividend to the shareholders of Kustom BidCo AB is proposed.

Related party transactions are presented in Note 7.

# Financial reports



## Condensed Consolidated Statement of Profit or Loss

| (Amounts in SEKm) | 2024 Oct–Dec | 2023 Oct–Dec | 2024 Jan–Dec | 2023 Jan–Dec |
|---|---|---|---|---|
| Net income | 378.0 | – | 378.0 | – |
| Work performed by entity and capitalized | 12.1 | – | 12.1 | – |
| Other income | 0.2 | – | 0.2 | – |
| Transaction and commission expenses | –209.1 | – | –209.1 | – |
| Employee benefits | –15.6 | – | –15.6 | – |
| Other external expenses | –20.4 | – | –20.5 | – |
| Depreciation, Amortization and Impairment | –30.5 | – | –30.5 | – |
| Other operating expenses | –27.5 | – | –27.7 | – |
| **Operating profit** | **87.3** | **–** | **86.9** | **–** |
| Finance income | 13.9 | – | 13.9 | – |
| Finance cost | –46.3 | – | –86.4 | – |
| **Profit before tax** | **54.8** | **–** | **14.4** | **–** |
| Income tax expense | –13.7 | – | –13.7 | – |
| **Net profit*** | **41.2** | **–** | **0.7** | **–** |

* Profit for the period corresponds to comprehensive income for the period. The entire profit for the period is attributable to the owners of the parent company.



## Condensed Consolidated Statement of Financial Position

| (Amounts in SEKm) | 2024-12-31 | 2023-12-31 | 2023-01-01 |
|---|---|---|---|
| ASSETS | | | |
| **Non-current assets** | | | |
| Goodwill | 744.9 | – | – |
| Merchant relationships | 1,187.3 | – | – |
| Technology | 148.0 | – | – |
| Property, plant and equipment | 0.4 | – | – |
| **Total non-current assets** | **2,080.7** | **–** | **–** |
| **Current assets** | | | |
| Trade receivables | 102.4 | – | – |
| Current tax receivables | 7.6 | – | – |
| Other current receivables | 18.3 | 0.5 | 0.5 |
| Prepayments and other accrued income | 3.9 | – | – |
| Cash and cash equivalents | 194.7 | – | – |
| **Total current assets** | **326.8** | **0.5** | **0.5** |
| TOTAL ASSETS | **2,407.5** | **0.5** | **0.5** |
| EQUITY | | | |
| Share capital | 0.5 | 0.5 | 0.5 |
| Other paid-in capital | 337.1 | – | – |
| Retained earnings including net profit | 0.7 | – | – |
| **Total equity attributable to owners of the parent company** | **338.4** | **0.5** | **0.5** |
| **Non-current liabilities** | | | |
| Issued bonds | 1,653.9 | – | – |
| Deferred tax liability | 13.7 | – | – |
| **Total non-current liabilities** | **1,667.6** | – | **–** |
| | | – | – |
| **Current liabilities** | | – | – |
| Trade payables | 5.6 | – | – |
| Current tax liabilities | 1.9 | – | – |
| Liabilities to credit institutions | 66.0 | – | – |
| Other short-term liabilities | 151.3 | – | – |
| Accrued expenses and deferred income | 176.7 | – | – |
| **Total current liabilities** | **401.5** | – | **–** |
| TOTAL EQUITY AND LIABILITIES | **2,407.5** | **0.5** | **0.5** |

# Condensed Consolidated Statement of Changes in Equity

| (Amounts in SEKm) | Share capital | Other paid-in capital | Retained earnings including net profit | Total equity |
|---|---|---|---|---|
| **Opening balance 1 January 2024** | **0.5** | **–** | **–** | **0.5** |
| Profit for the year | – | – | 0.7 | **0.7** |
| **Total comprehensive income** | **–** | – | **0.7** | **0.7** |
| **Transactions with owners:** | | | | – |
| Capital contribution | – | 337.1 | – | **337.1** |
| **Total transactions with owners** | **–** | **337.1** | **0.7** | **337.9** |
| **Closing balance 31 December 2024** | **0.5** | **337.1** | **0.7** | **338.4** |

| (Amounts in SEKm) | Share capital | Other paid-in capital | Retained earnings including net profit | Total equity |
|---|---|---|---|---|
| **Opening balance 1 January 2023** | **0.5** | **–** | **–** | **0.5** |
| Profit for the year | – | – | – | **–** |
| **Total comprehensive income** | **–** | **–** | **–** | **0.5** |
| **Total transactions with owners** | **–** | **–** | **–** | **–** |
| **Closing balance 31 December 2023** | **0.5** | **–** | **–** | **0.5** |

# Condensed Consolidated Statement of Cash Flows

| (Amounts in SEKm) | 2024 Oct–Dec | 2023 Oct–Dec | 2024 Jan–Dec | 2023 Jan–Dec |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Operating profit | 87.3 | – | 86.9 | – |
| Adjustments for non-cash items in operating activities: | | | | |
| *Depreciation & amortization* | *30.5* | – | *30.5* | – |
| Interest received | 13.3 | – | 13.3 | – |
| Interest paid | –39.2 | – | –39.2 | – |
| Income taxes paid | –9.1 | – | –9.1 | – |
| **Cash flow from operating activities before changes in working capital** | **82.7** | **–** | **82.4** | **–** |
| Increase (–) / Decrease (+) in trade receivables | –56.6 | – | –56.6 | – |
| Increase (–) / Decrease (+) in other receivables | –81.0 | – | –81.0 | – |
| Increase (–) / Decrease (+) in trade payables | –20.4 | – | –18.2 | – |
| Increase (–) / Decrease (+) in other liabilities | 187.8 | – | 187.8 | – |
| **Cash flow from operating activities** | **112.5** | **–** | **114.2** | **–** |
| **Investing activities** | | | | |
| Investments in capitalized technology | –12.1 | – | –12.1 | – |
| Investments in property, plant & equipment | –0.5 | – | –0.5 | – |
| Participation in Group companies | –1,957.4 | – | –1,957.4 | – |
| **Cash flow from investing activities** | **–1,970.0** | **–** | **–1,970.0** | **–** |
| **Financing activities** | | | | |
| New borrowings | 79.0 | – | 1,779.0 | – |
| Amortization of loans | –13.0 | – | –13.0 | – |
| Transaction costs related to issued bonds | – | – | –52.7 | – |
| Capital contribution | 337.0 | – | 337.0 | – |
| **Cash flow from financing activities** | **403.0** | **–** | **2,050.3** | **–** |
| **Cash flow for the period** | **–1,454.4** | **–** | **194.6** | **–** |
| **Cash and cash equivalents at the beginning of the period** | **1,649.1** | **–** | – | **–** |
| Exchange rate diff. in cash and cash equivalents | 0.1 | – | 0.1 | – |
| **Cash and cash equivalents at the end of the period** | **194.7** | **–** | **194.7** | **–** |

# Summary of the Parent Company's Income Statement

| (Amounts in SEKm) | 2024 Oct-Dec | 2023 Oct-Dec | 2024 Jan-Dec | 2023 Jan-Dec |
|---|---|---|---|---|
| Net income | 0.8 | – | 0.8 | – |
| Other external expenses | 0.0 | – | –0.1 | – |
| Other operating expenses | –3.0 | – | –3.3 | – |
| **Operating profit** | **–2.3** | – | **–2.6** | – |
| Other interest income and similar items | 12.5 | – | 12.5 | – |
| Interest expenses and similar items | –46.8 | – | –86.9 | – |
| **Profit after financing** | **–36.5** | – | **–76.9** | – |
| Income tax expense | – | – | – | – |
| **Net Profit *** | **–36.5** | – | **–76.9** | – |

* Profit for the period is consistent with comprehensive income for the period.

# Summary of the Parent Company's Balance Sheet

| (Amount in SEKm) | 2024-12-31 | 2023-12-31 | 2023-01-01 |
|---|---|---|---|
| **ASSETS** | | | |
| **Fixed assets** | | | |
| Participation in Group companies | 2,076.7 | – | – |
| **Total fixed assets** | **2,076.7** | – | – |
| **Current assets** | | | |
| Other current receivables | 3.8 | 0.5 | 0.5 |
| Receivables from Group companies | 0.8 | – | – |
| **Total current assets** | **4.7** | **0.5** | **0.5** |
| **TOTAL ASSETS** | **2,081.3** | **0.5** | **0.5** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| *Restricted equity* | | | |
| Share capital | 0.5 | 0.5 | 0.5 |
| *Unrestricted equity* | | | |
| Other paid-in capital | 337.0 | – | – |
| Retained earnings | – | – | – |
| Net profit | –76.9 | – | – |
| **Total equity** | **260.6** | **0.5** | **0.5** |
| **Non-current liabilities** | | | |
| Issued bonds | 1,653.9 | – | – |
| **Total non-current liabilities** | **1,653.9** | – | – |
| **Current liabilities** | | | |
| Liabilities to credit institutions | 66.0 | – | – |
| Trade payables | 0.8 | – | – |
| Payables to Group companies | 60.3 | – | – |
| Accrued expenses and deferred income | 39.8 | – | – |
| **Total current liabilities** | **166.8** | – | – |
| **TOTAL EQUITY AND LIABILITIES** | **2,081.3** | **0.5** | **0.5** |

# Notes to the financial reports

# Note 1 — General information

Kustom BidCo AB (publ) with corporate identity number 559363-9643 is a limited liability company (Sw: "Aktiebolag") registered in Sweden with its registered office in Stockholm. The address of the head office is Brahegatan 10, 114 37 Stockholm.

The main business of the Company and its subsidiaries (the "Group") is to offer a comprehensive and tailor-made Checkout solution in Europe. With the most efficient and customizable checkout solution on the market, Kustom helps merchants tailor their checkout experience to their unique needs.

The financial statements are presented in millions of Swedish Kronor (SEK million).

# Note 2 — Material accounting principles

## Basis for preparation

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The consolidated financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee (IFRIC) as adopted by the EU. In addition, the Annual Accounts Act and the Swedish Council for Sustainability and Financial Reporting's recommendation RFR 1 Supplementary accounting rules for groups are applied.

The Parent Company's financial reports have been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

Disclosures in accordance with IAS 34 Interim Financial Reporting are provided both in the notes and elsewhere in the interim report.

The company and the group are newly started and have therefore not prepared a consolidated financial statement before. This is the Group's first financial report. The Group applies IFRS 1 First-time Adoption of IFRS. The Group has set the first date of application to 1 January 2023. This means that the comparative figures for 2023 are prepared in accordance with IFRS, which constitute the parent company's accounts for periods prior to the formation of the group.
The financial statements have been prepared on a cost basis, except for the revaluation of certain financial instruments which are measured at fair value at the end of each reporting period, as further described in the Accounting Policies below.



## Consolidated financial statements

The consolidated financial statements include the company's financial statements and the entities (subsidiaries) over which the company has control as of each balance sheet date. Controlling influence is achieved when the Group has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement in the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

The Group will reassess whether a controlling influence exists if the facts and circumstances indicate changes in one or more of the three criteria for controlling influence above.

**Subsidiaries**
A subsidiary is consolidated when the company acquires control over the subsidiary and ceases to exist when the company loses control of the subsidiary. Profit from acquired or divested subsidiaries during the year is included in profit or loss from the date on which the company acquires control over the subsidiary and until the date on which control of the subsidiary ceases. If necessary, the subsidiaries' financial statements are adjusted to align the accounting policies used with the Group's accounting policies.

All intra-group assets and liabilities, equity, revenues, expenses and cash flows relating to transactions between companies within the Group are eliminated in the consolidation. The Group has no non-controlling interest but owns all subsidiaries 100%.

**Business combinations**
Business combinations are accounted for in accordance with the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values of the assets transferred by the acquirer at the time of acquisition, the liabilities incurred by the acquirer to the previous owners of the acquired company and the equity instruments issued by the acquirer. Acquisition-related expenses are recognized in the income statement as they arise.

As of the acquisition date, the acquired identifiable assets or assumed liabilities are measured at fair value, except:

- deferred tax assets or liabilities and assets and liabilities related to employee compensation agreements are recognized and measured in accordance with IAS 12 and IAS 19 respectively

Goodwill is calculated as the difference between the consideration transferred, the amount of any non-controlling interests in the acquired company, the fair value of the acquirer's previous equity interests in the acquired company (if applicable) and the net as of the date of acquisition of the amounts of the identifiable acquired assets and liabilities assumed.

When the consideration transferred from the Group in a business combination includes a contingent purchase price, the contingent consideration is measured at fair value at the time of acquisition and included in the consideration for a business combination. Changes in the fair value of the contingent consideration that are deemed to exist during the valuation period are adjusted retroactively, with a corresponding adjustment of goodwill. Adjustments during the valuation period are adjustments resulting from new information received during the valuation period (which cannot exceed one year from the date of acquisition) about facts and circumstances that existed at the time of acquisition.

The subsequent recognition of changes in the fair value of the contingent consideration that do not meet the requirement for adjustments during the valuation period depends on how the contingent consideration is classified. A contingent consideration classified as equity is not revalued at the following period end and the subsequent adjustment is recognized in equity. Other contingent consideration is revalued at fair value as of each period end and changes in fair value are recognized in profit or loss.

If the initial accounting of a business combination is incomplete at the end of the reporting period in which the acquisition takes place, the acquirer recognizes in its financial statements preliminary amounts for the items for which the accounting is incomplete. During the valuation period (see above), the acquirer retroactively adjusts the provisional amounts or recognizes additional assets and liabilities, to reflect new information about the facts and circumstances that existed at the time of acquisition and which, if known, would have affected the calculation of the amounts recognized at that time.

## Segment reporting

Kustom has identified one operating segment, which constitutes the Group as a whole. Kustom defines operating segments according to how the Group's Chief operating decision makers monitor operations, make operational decisions on the allocation of resources and evaluate Kustom's operating results.

Kustom's Chief operating decision maker is the CEO, who analyzes the operational performance at a consolidated level. Kustom's operations are conducted as a single operating segment and thus have one reportable segment.

## Foreign currencies

**Functional currency and presentation currency**
The accounts are prepared in Swedish kronor, which is the Group's presentation currency. The functional currency is the currency used in the economic environment in which a company mainly operates. Kustom BidCo AB's functional currency is Swedish krona.

**Foreign currency conversion**
When preparing the financial statements for the individual companies, transactions are reported in currencies other than the company's functional currency (foreign currencies) at the daily exchange rate of the transaction date. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are recalculated at the exchange rate of the balance sheet date. Non-monetary items carried at fair value in foreign currencies are translated at the exchange rate on the date on which the fair value was calculated. Non-monetary items measured at cost are not recalculated.

Exchange rate differences are recognized in profit or loss in the period in which they arise.

## Revenue

The Group reports revenues from the provision of comprehensive customized digital checkout solutions to merchants. Revenues are measured based on the agreement with the customer and correspond to the remuneration that the Group expects to be entitled to in exchange for providing services, excluding VAT.

**Access to checkout solution software**
The Group provides services to merchants in the form of access to tailored, digital solutions for checkout and payment of goods at the merchant. Such services are reported as a separate performance obligation that is fulfilled over time. Revenues from these services are recognized at the amount that the Group is entitled to invoice, as the Group is entitled to compensation from customers in an amount that directly corresponds to the value to the customer of the Group's performance completed to date, which is when the end consumer has completed their checkout and payment and goods have been dispatched or services have been performed from the merchant. The majority of income is deducted from the transaction proceeds paid to the merchant in connection with the completed purchase.

None of the Group's customers have payment terms exceeding 30 days.

## Employee benefits

A liability is recognized for compensation to employees in respect of salaries, paid vacation and paid sick leave from the employee's service during the current period at the nominal amount of the compensation expected to be paid in exchange for these services.

Liabilities recognized for short-term remuneration are measured at the nominal amount of short-term employee compensation that the Company is expected to pay in exchange for these services.

Liabilities recognized for other long-term employee benefits are measured at present value by estimating future cash flows expected to be paid by the Group based on the services provided by the employees at the end of the reporting period.

**Pension costs**
All of the Group's pension plans are classified as defined contribution plans. Payment to a defined contribution plan is recognized as an expense when the employees have performed the services entitling them to the contributions.

**Severance pay**
Severance pay is not deducted against other income. In the event of termination of the CEO, no severance pay will be paid.

## Tax

The income tax expense consists of the sum of current tax and deferred tax.

**Current tax**
Current tax is calculated on the taxable profit for the period. Taxable profit differs from reported profit or loss as it has been adjusted for income and expenses that are taxable or deductible in other periods, and items that never become taxable or deductible are excluded. The Group's current tax liability is calculated according to the tax rates decided or in practice decided at the end of the reporting period.

**Deferred tax**
Deferred tax is the tax that is expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax values used in the calculation of taxable profit and loss and recognized using the balance sheet method. Deferred tax liabilities are recognized for in principle all taxable temporary differences, and deferred tax assets are recognized in principle for all deductible temporary differences to the extent that it is likely that the amounts can be



used against future taxable profits. Deferred tax liabilities are not recognized if the temporary differences are attributable to the initial recognition of goodwill.

The carrying amount of deferred tax assets is tested at the end of each reporting period and reduced to the extent that it is no longer likely that sufficient taxable profits will be available to realise, in whole or in part, the deferred tax asset.

Deferred tax is calculated according to the tax rates that are expected to apply for the period in which the asset is recovered or the liability is settled, based on the tax rates and tax rules that have been decided or are in practice decided at the end of the reporting period.

The valuation of deferred tax liabilities and deferred tax assets is based on how the entity expects to recover or settle the carrying amount of the corresponding asset or liability at the end of the reporting period.
Deferred tax assets and liabilities are reported on a net basis in the balance sheet when there is a legal right to offset current tax assets against current tax liabilities and they relate to income tax charged by the same tax authority and when the Group intends to settle current tax assets and liabilities with a net amount.

## Intangible assets

Intangible assets with definite useful lives are recognized at cost less accumulated depreciation and accumulated impairment. The estimated useful life and amortization method are reassessed at least at the end of each financial year. The effect of any changes in estimates and assessments is reported prospectively. Separately acquired intangible assets with indefinite useful life are recognized at cost less accumulated impairment charges.

**Goodwill**
Goodwill is measured and initially reported in accordance with the above description under Business combinations.

In the event of a divestment of a cash generating unit, goodwill attributable to the cash generating unit is included in the gain/loss of the divestment.

**Impairment of goodwill**
Goodwill is not amortized, but is tested for impairment at least annually. When testing for impairment, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that are expected to benefit from the synergies in the acquisition. A cash generating unit to which goodwill has been allocated is tested for

impairment annually, as well as whenever there is an indication that the unit may need to be impaired. If the recoverable amount of the entity is lower than the carrying amount of the entity, the impairment is first allocated by reducing the carrying amount of goodwill attributed to the unit and then reducing the other assets proportionally based on the carrying amount of each asset in the unit. A recognized impairment of goodwill is not reversed in subsequent periods.

**Acquired merchant relationships and technology in business combinations**
In connection with business combinations, part of the purchase price has been allocated to merchant relationships and technology. These are recognized at cost less accumulated depreciation and accumulated impairment charges. Amortization is reported on a straight-line basis over the estimated useful life of 5 years for technology and 13 years for merchant relationships.

**Internally generated intangible assets**
Research expenses are expensed in the period in which they occur.

An internally generated intangible asset arising from development, or in the development phase of an internal project, is recorded as an asset in the statement of financial position only if all of the following criteria are met:

- It is technically feasible to finalize the intangible asset so that it will be available for use or sale.
- The intention is to finalize the intangible asset and use or sell it.
- The ability for using or selling the intangible asset exists.
- It is possible to show how the intangible asset will generate probable future economic benefits.
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset.
- The expenditure attributable to the intangible asset during its development can be reliably measured.

The cost of internally generated intangible assets is the sum of the expenses incurred from the time when the intangible asset first meets the criteria set out in the points above. If it is not possible to account for any internally generated intangible asset, the expenditure on development is recognized as an expense in the period in which it is incurred.

After initial recognition, internally generated intangible assets are recognized at cost less accumulated depreciation and accumulated impairment, similar to intangible assets acquired separately. Amortization is reported on a straight-line basis over the estimated useful life of 5 years.



## Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and impairment.

Land under tenure is not depreciated.
Depreciation is reported on a straight-line basis over the useful life.

The following useful life periods apply:
Equipment: 3 — 5 years

The estimated useful life, residual values and depreciation method are evaluated at the end of each reporting period, changes in estimates are reported prospectively.

A fixed asset is removed from the balance sheet upon scrapping or disposal or when no future economic benefits are deemed to arise from the use of the asset. The gain or loss arising from the sale or scrapping of an asset is determined as the difference between the proceeds from sales and the carrying amount of the asset and is recognized in profit or loss.

## Impairment of property, plant and equipment and intangible assets excluding goodwill

At the end of each reporting period, the Group evaluates the carrying amounts of its property, plant and equipment and intangible assets to assess whether there is any need for impairment of these assets. If there are indications of impairment needs, the recoverable amount of the asset shall be calculated to determine any impairment. If the asset does not generate cash inflows that are substantially independent of cash inflows from other assets or groups of assets, the recoverable amount of the cash generating unit to which the asset belongs is calculated. When a reasonable and consistent basis for allocation can be identified, group assets are allocated to each cash generating unit, or to the smallest group of cash generating units for which a reasonable and consistent manner can be identified.

Intangible assets with an indefinite useful life shall be tested for impairment at least annually or in the event of an indication of a decline in the value of the asset.

The recoverable amount is the higher of its fair value less cost to sell and its value in use. For the purpose of calculating recoverable amount, the estimated future cash flows are discounted to their present value by using a pre-tax discount rate to reflect current market estimates of the time value of money and the risks specifically related to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or the cash generating unit) is estimated to be lower than its carrying value, the carrying amount of the asset (or the cash generating unit) is reduced to its recoverable amount. An impairment is immediately expensed in the profit or loss.

## Leasing

**The Group as a lessee**
The Group assesses whether the agreement is, or contains, a leasing agreement when the agreement is entered into. The Group recognizes a right of use asset and associated lease liability for all leases in which the Group is a lessee, except for short-term leases (agreements classified as leases with a lease term of less than 12 months) and leases of low value (such as computers and office equipment). For these leases, the Group recognizes the lease payments as a cost on a straight-line basis over the term of the lease unless another systematic method is more representative of when the economic benefits from the leased assets are consumed by the Group.

The Group only has lease agreements that are considered to be short-term leases or leases of low value.

## Financial instruments

Financial assets and liabilities are reported in the Group's statement of financial position when the Group becomes a party to the contractual terms of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or subtracted from the fair value of financial assets or financial liabilities at the time of initial recognition. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**Financial assets**
Financial assets are initially reported at fair value as described above. All reported financial assets are measured subsequent to initial recognition at either amortized cost or fair value, depending on the classification of the assets. The Group only has financial assets that are reported at amortized cost.

**Classification of financial assets and liabilities**
Debt instruments that meet the following conditions are measured at amortized cost after the first recognition:

- the financial asset is held under a business model whose objective is to hold financial assets to collect contractual cash flows; and

- The contractual terms of the financial asset give rise at certain times to cash flows which are solely principal payments and interest on the outstanding principal amount.

**Financial assets and liabilities recognized at amortized cost**
The amortized cost of a financial instrument is the amount at which the financial instrument is valued at first recognition less principal repayments, plus accumulated accrual using the effective interest method on any difference between the original amount and the amount at maturity, adjusted by any loss provision. The gross carrying amount of the financial instrument is the accrued cost of a financial asset before adjustment for any loss provisions.

Interest expenses for financial debt instruments that are measured at amortized cost after the initial recognition are calculated by applying the effective interest rate to the carrying amount of the financial liability.

Financial liabilities that are not a contingent consideration recognized by an acquirer in connection with a business combination, or held for trading, are measured at amortized cost calculated according to the effective interest method.

**Financial liabilities and equity instruments**
**Classification of debt instruments or equity instruments**
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the content of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**
An equity instrument is any form of contract that provides for a residual right in a company's assets after deduction of all its liabilities. Equity instruments issued by the Group are recognized at the amount received, excluding direct issue costs.

Repurchases of the company's own equity instruments are reported directly in equity. No profit or loss is recognized on the purchase, sale, issue or cancellation of the Company's equity instruments.

### Financial liabilities

All financial liabilities are measured at amortized cost using the effective interest rate method or at fair value through profit or loss.

### Financial liabilities at fair value through profit or loss

Financial liabilities are measured at fair value through profit or loss when the financial liability is a contingent consideration in business combinations or held for trading. These financial liabilities are measured at fair value with any gains or losses arising from changes in fair value recognized in profit or loss.

Fair value is determined as described in Note 6.

### Impairment of financial assets

The Group recognizes a loss provision for expected credit losses on debt instruments measured at amortized cost, trade receivables and contract assets. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in the credit risk of each financial asset since initial recognition.

The Group always recognizes expected credit losses for the remaining maturity of trade receivables and contract assets. For financial assets, the Group recognizes expected credit losses for the remaining maturity only when there has been a significant increase in credit risk since the first accounting date. If there has not been a significant increase in credit risk since the first accounting date, the Group measures the loss provision for the financial asset at an amount corresponding to 12-month expected credit losses.

### Definition of default

The Group considers that if information produced internally or obtained from external sources indicates that it is unlikely that the counterparty will be able to fully meet its obligations (without regard to collateral held by the Group), the asset is in default.

Notwithstanding the above criterion, the Group considers that default has occurred when a financial asset is more than 24 months overdue.

### Write-off

The Group writes off a financial asset when there is information indicating that the counterparty is in serious financial difficulties and there is no realistic prospect of recovery (for example, when the counterparty has been put into liquidation or has commenced bankruptcy proceedings) or, in the case of trade receivables, when the amounts are due over two years, whichever is earlier. Impaired financial assets may still be subject to repayment measures, taking into account legal advice where necessary. Any refunds are reported in profit or loss.



In the event of write off of a financial asset valued at amortized cost, the difference between the asset's carrying value and the sum of receivables or consideration received is recognized.

### Valuation and recognition of expected credit losses

Valuation of expected credit losses is a function of the probability of default, loss given default and exposure at default. The assessment of the probability of default and the loss given default is based on historical data adjusted with forward-looking information described above. In the case of exposure at default of financial assets, this is represented by the gross value of the assets at the balance sheet date.

For financial assets, the expected credit loss is calculated as the difference between all contractual cash flows that the Group is to receive in accordance with the agreement and all cash flows that the Group expects to receive, discounted by the effective interest rate.

The Group recognizes an impairment gain or loss in the profit and loss statement.

### Derecognition from the report on the financial position of financial assets

The Group shall derecognize a financial asset from the statement of financial position only when the contractual rights cease or all the risks and benefits of the financial asset are transferred to another party.

In the event of derecognition of a financial asset valued at amortized cost, the difference between the asset's carrying value and the sum of receivables and consideration received is recognized.

### Derecognition of financial liabilities from the statement of financial position

The Group derecognizes financial liabilities when, and only when, the Group's obligations are fulfilled, cancelled or have expired. The difference between the carrying amount of the financial liability that is derecognized and the consideration paid is recognized in profit or loss.

## Parent company's accounting policies

The Parent Company has prepared its annual report in accordance with the Annual Accounts Act (ÅRL) and the Swedish Council for Sustainability and Financial Reporting's recommendation RFR 2 Accounting for legal entities. Statements issued by the Financial Reporting Council regarding listed companies are also applied. RFR 2 means that the parent company shall apply all IFRS and statements adopted by the EU in the annual accounts of the legal entity as far as possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act and with regard to the relationship between accounting and taxation. The recommendation specifies the exceptions and additions to IFRS to be made. The differences between the Parent Company's and the Group's accounting policies are set out below.

**Classification and forms of presentation**
For the parent company, the terms Balance sheet and Cash flow statement are used for the reports that in the Group have the titles Statement of financial position and Statement of cash flows. The Parent Company's income statement and balance sheet are prepared in accordance with the schedules of the Annual Accounts Act, while the Comprehensive Income Statement, the Statement of Change in Equity and the Cash Flow Statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Report on Cash Flows. The differences with the Group's reports that appear in the Parent company's income statement and balance sheet consist primarily of the accounting of equity.

**Subsidiaries**
Shares in subsidiaries are reported in the parent company according to the cost method and include transaction costs directly attributable to the acquisition. Contingent consideration is recognized when a probable and reliable amount can be calculated and any revaluations of the value are adjusted against the cost of the purchase.

**Financial instruments**
Due to the connection between accounting and taxation, the rules of IFRS 9 are not applied in the parent company as a legal entity. Financial fixed assets are measured at cost less any impairment and current financial assets according to the lowest value principle.

**Revenue**
The Parent Company's revenues consist primarily of intra-group services, which are recognized as the counterparty receives the service.

**Leasing**
The Group applies the exemption in RFR 2 and all leases are reported as operational and thus linear over the lease period.

**Taxes**
In the parent company, untaxed reserves are reported without a breakdown of equity and deferred tax liability. Correspondingly, no allocation of part of the appropriations to deferred tax expense is made in the income statement in the Parent Company.

**Group contributions and shareholder contributions**
The Parent Company reports received and granted group contributions in accordance with the alternative rule as appropriation of the financial statements. Shareholder contributions are recognized directly against the recipient's equity and capitalized in shares and participations with the donor, to the extent that impairment is not required.

# Note 3 — Key sources of estimation uncertainty

## Intangible assets and goodwill

Goodwill and other intangible assets are tested for impairment by estimating the recoverable amount of cash generating units. As a basis for this, Kustom's management assesses future cash flows. These estimates are based on, and dependent on, a number of factors. Examples of factors are the useful life period and how technological development affects it. Kustom operates in a market where both technology and consumer behavior can change rapidly. Examples of changes in consumer behavior are online versus offline shopping, as well as consumers' preference for certain payment methods.

Kustom's management maintains that the assumptions underpinning estimated future cash flows are reasonable. Nevertheless, there are uncertainties in these that may affect the valuation of the above-mentioned asset classes.

# Note 4 — Breakdown of revenue from contracts with customers

| 1 January – 31 December | 2024 | 2023 |
|---|---|---|
| **Geographic region (Amounts in SEKm)** | | |
| Nordics | 334.4 | – |
| Rest of World | 43.7 | – |
| **Total** | **378.0** | **–** |

# Note 5 — Business combinations

On October 1, the Group acquired 100% of the share capital in Larkan XII AB (now Kustom AB), and acquired controlling influence over the company. Kustom AB was acquired to conduct operations in digital checkout solutions for commerce.

The amounts reported for the identified acquired assets and liabilities are specified in the table below.

| Item | SEKm |
|---|---|
| Technology | 143.1 |
| Merchant relationships | 1,210.6 |
| Non-current financial assets | 555.8 |
| Other current receivables | 7.3 |
| Cash & cash equivalents | 107.6 |
| Financial liabilities | 104.7 |
| Other operating liabilities | 599.6 |
| Total identifiable net assets | 1,320.1 |
| Goodwill | 744.9 |
| Total purchase price | 2,065.0 |
| | |
| Settled by: | |
| Cash and cash equivalents | 2,065.0 |
| Total consideration transferred | 2,065.0 |
| | |
| Net cash flow on acquisition: | |
| Cash and cash equivalents | 2,065.0 |
| Less: acquired cash and cash equivalents | -107.6 |
| | 1,957.4 |



The fair value of the Current Receivables includes receivables from merchants of a fair value of SEK 23.5 million and gross agreed receivables of SEK 23.8 million. The best estimate at the time of acquisition for the agreed cash flows that are not expected to be collected is SEK 0.3 million.

Goodwill of SEK 744.9 million arising from the acquisition consists primarily of the value of the organization's existing expertise and capabilities and the opportunity to expand the business relationship with new and existing customers – primarily through future product development and offerings. Goodwill is expected to be tax deductible in an amount of SEK 581 million based on asset goodwill recognized in the acquired company.

The basis for receiving the contingent consideration is based on the achievement of certain operational targets based on sales during a certain period. The potential undiscounted amount of all future payments that the Group may need to make in accordance with the contingent consideration is between SEK 0 million and SEK 300 million.

The carrying amount of the contingent consideration amount to SEK 0 million after deduction of certain costs incurred in accordance with the agreement for the contingent consideration.

In connection with the acquisition, Kustom AB also entered into a 5-year cooperation agreement with Klarna (the seller), ensuring continuity and security in the delivery of critical payment methods to Kustom's customers (merchants).

Acquisition-related expenses (included in Other external expenses) amounted to SEK 11.7 million. Kustom AB contributed SEK 378.0 million in net sales and SEK 77.6 million to the Group's profit for the year between the acquisition date and the end of the reporting period.

The initial recognition of the acquisition of Kustom AB has only been provisionally adopted at the end of the reporting period. At the date of completion of these consolidated financial statements, the necessary market valuations, other calculations and final adjustments to the purchase price have not been finalized and therefore only provisionally determined based on management's best estimate of likely fair values.

100 percent of Kustom AB was acquired, and thus the Group has no non-controlling interest as a result of the acquisition.

## Note 6 — Fair value financial instruments

The Company has classified financial assets and liabilities under the following categories; amortized cost or fair value through profit and loss. The classification has taken into account the company's business model for the management of financial assets and the characteristics of the contractual cash flows from the financial asset.

As set out below, the fair value determination of the financial instruments measured at fair value is disclosed in the statement of financial position. The breakdown of how fair value is determined is done on the basis of the following three levels.

Level 1: according to prices quoted on an active market for the same instrument
Level 2: based on directly or indirectly observable market data not included in Level 1
Level 3: based on inputs that are not observable in the market

The Group's contingent consideration liabilities are valued at fair value in accordance with level 3 on a continuing basis. Material unobservable data used in valuation constitutes 1) expected future revenues of Kustom AB and 2) expected transaction costs for the Stripe platform. A sensitivity analysis has been carried out for both (1) and (2), and in all tested outcomes, the expected value of the contingent consideration is estimated to be 0. Other financial assets and financial liabilities are measured at amortized cost. For financial instruments that are not measured at fair value, the book value is considered to be a fair approximation of fair value. For the Group's liabilities to credit institutions and other financial liabilities, the carrying amount corresponds to its fair value because the interest rate on this borrowing is on par with current market interest rates or because the liabilities are short-term.

During the period, no reclassifications between levels 1, 2 and 3 have been carried out.

## Note 7 — Related party transactions

The Group has received a capital contribution from the parent company Kustom HoldCo AB in an amount of SEK 337 million. The Group has received management services and other administrative services invoiced from related companies. Finally, certain holding companies for the Group's parent company have re-invoiced costs in connection with financing and the acquisition of Kustom AB.

In addition to the above transactions, the Parent Company has also received an intra-group loan from Kustom AB and associated market interest.

## Note 8 — Transition to IFRS

As of 1 January 2023, Kustom BidCo AB prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) approved by the EU and interpretative statements from the IFRS Interpretations Committee, and the parent company prepares financial statements in accordance with the Swedish Council for Sustainability and Financial Reporting's recommendation RFR 2 Accounting for legal entities. This interim report is the first financial report prepared by Kustom BidCo AB in accordance with IFRS and RFR 2. Previously, Kustom BidCo AB has applied the Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines, BFNAR 2016:10 Annual Report in Small Companies ("K2").

As no consolidated financial statements have been prepared previously, no transition to IFRS has been identified, however, the Group applies IFRS as of the date 2023-01-01, whereupon the Group applies IFRS 1 First-time application of IFRS in this report. The transition date to RFR 2 has been set for 1 January 2023. The transition to RFR 2 is reported in accordance with IFRS 1 First-time application of IFRS. As a base line, IFRS 1 requires an entity to apply all standards retroactively when determining the opening balance under IFRSs. This means that the comparative figures for 2023 are restated in accordance with IFRS. However, some exceptions to the retroactive application are allowed. The Group and the Parent Company have chosen not to apply any exemptions.

At the time of the transition and during 2023, no significant transition effects have been identified, whereupon the balance sheet as of the transition date and 2023-12-31 and the income statement for 2023 reflect both RFR 2 and previously applied accounting principles.

## Financial calendar

| | |
|---|---|
| Annual report | April 2025 |
| Annual General Meeting | May 2025 |
| Interim report first quarter 2025 | May 30th, 2025 |
| Interim report second quarter 2025 | Aug 29th, 2025 |
| Interim report third quarter 2025 | Nov 28th, 2025 |

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This information is such information that Kustom BidCo AB (publ) is obliged to make public pursuant to the EU's Market Abuse Regulation (596/2014/EU). This information was submitted for publication, through the agency of the contact persons set out in the press release concerning this report, on February 28th, 2025, at 08:00 CET.



This report has not been reviewed by the company's auditors.

The Board of Directors and the CEO ensure that the interim report provides a fair overview of the Parent Company's and the Group's operations, financial position and results and describes material risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, February 28, 2025

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