

Kustoom

Annual Report 2024

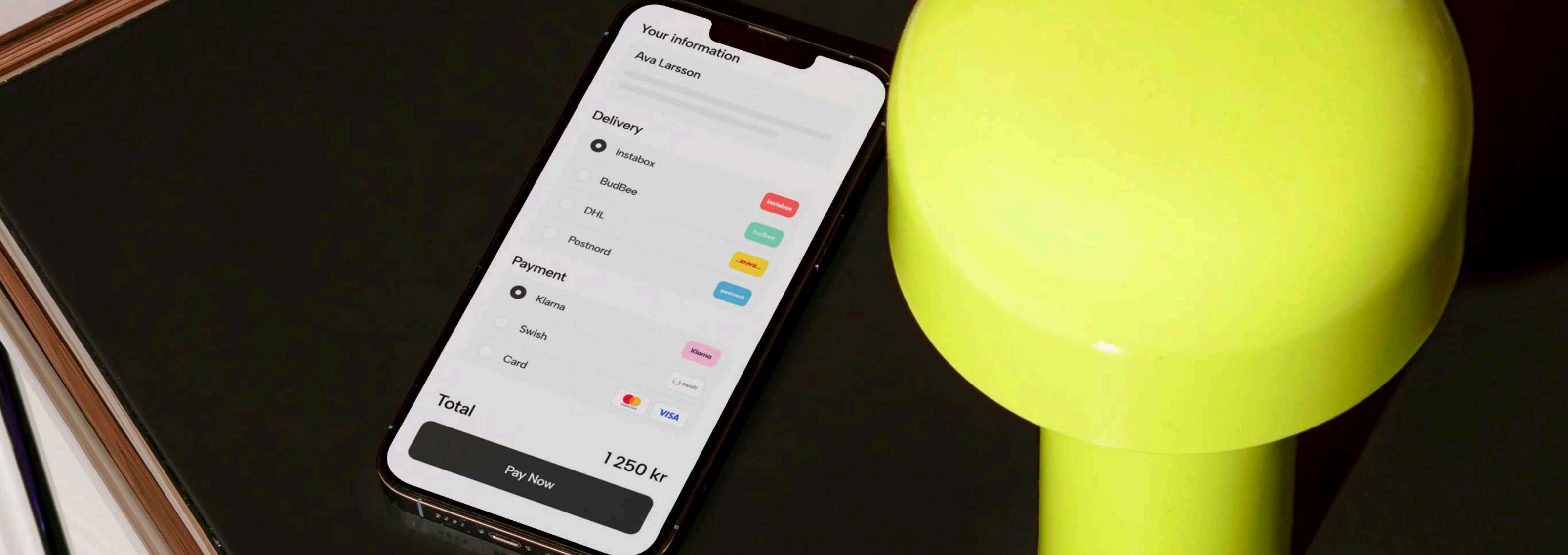


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CEO Commentary

On October 1, 2024, Kustom became an independent company. The fourth quarter therefore marks the start of our operational journey. Much of the content in this report thereby overlaps with the Year-end report published in February 2025.

Since the carve-out from Klarna, we have focused on building a standalone organization, establishing new internal structures, and initiating the migration of merchants to our upgraded platform. At the same time, we have seen positive momentum in both new merchant acquisition and renewed enterprise contracts, reaffirming the demand for our offering: a flexible, future-proof and merchant focused checkout solution.

With a strong team, growing trust, and a leading technical platform, we have laid a solid foundation for continued growth.

Organizational growth

As Kustom became an independent company, we initiated an extensive build-up of our operational, technical, and commercial functions. The goal has been to shape an organization capable of driving long-term growth, with a strong focus on competence, continuity, and capacity. Two key appointments were made during the quarter to strengthen our technological and strategic development: Frank Hoffman was recruited as Chief Technology Officer (CTO) and Erik Olofsson as Chief Operations Officer (COO), both joining us in January 2025. With experience from companies such as Klarna and Stripe, they bring deep expertise in payment infrastructure and scalable organizational development.

As of year-end 2024, Kustom had a total workforce of 80 people. Over the course of the year we have built a core organization that reflects both the company legacy and the capabilities needed to scale. With a solid structure in place and continued strong demand for our offering, we are well-positioned to continue our growth into 2025 and beyond.

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 performance continues to track in line with expectations. 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.

In Q1 2025, the world has experienced geopolitical turbulence following newly introduced trade tariffs from the United States. While this may impact the general economic outlook and companies reliant on supply chains or physical trade with the U.S., the effect on Kustom is very limited. This is due to our focus on the European market, where our merchants primarily sell to regions other than the U.S.

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. This makes Kustom 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 ecommerce 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

Strategy

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.

As a profitable and market-leading company, Kustom is focused on continuously investing in our product, strengthening the offering through new payment methods, enhanced customer support, and a new technical platform. These are key building blocks to ensure sustained, profitable growth.

But Kustom's offering goes beyond collecting payment methods. At the heart of the checkout experience, Kustom holds a unique position to orchestrate the most critical step of the customer journey – completing the purchase.

The company operates with a merchant-first approach and aims to integrate a growing number of best-in-class checkout features that drive merchant revenue and growth. This includes everything from payment methods, pre-filled address fields, shipping options and loyalty programs, to data analytics and personalization designed to reduce friction at checkout.

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.

While Kustom offers a high degree of customization, the goal is also to unify online and in-person payments into a single, comprehensive solution, equally intuitive for both merchants and shoppers. 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.

Kustom's product is built for a global market, and we continuously work to localize our offering and expand our geographical reach. Kustom's long-term goal is to become the leading checkout solution in Europe.

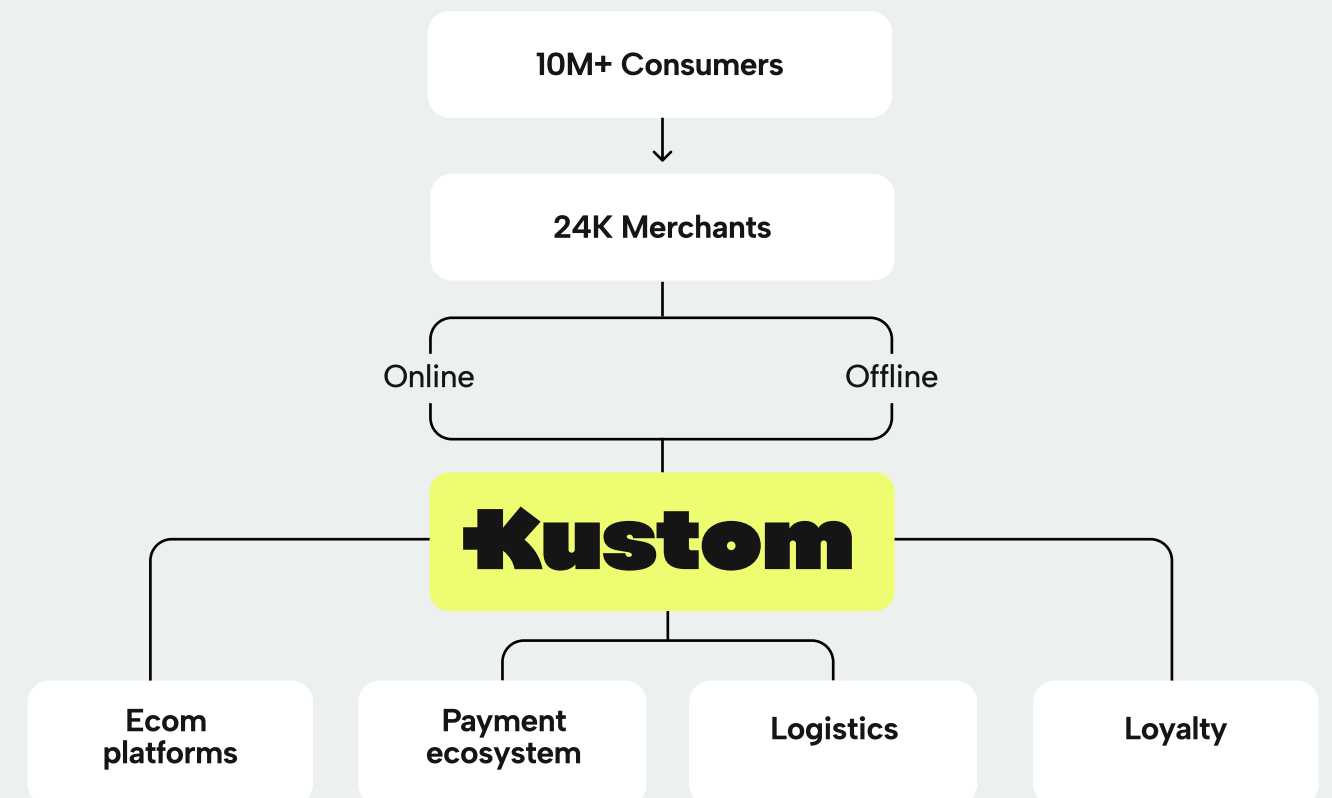
Kustom's role in the value chain

No purchase can be made without passing through the checkout. This means every merchant needs a checkout, and every shopper interacts with a checkout solution. That is not just a fact but an opportunity for both us and the merchants. For merchants, it's about securing conversion at the point of purchase, but just as importantly, it's about building and nurturing long-term customer relationships. Our checkout should be so attractive, innovative, and seamless that it enhances the entire shopping experience, and brings shoppers back again.

Our role in the value chain is to gather and integrate all the capabilities needed in a checkout. Through integrations with the market's best features, spanning payments, shipping, and loyalty, we offer merchants a comprehensive solution. We make this possible through close and strategic partnerships. For our partners, Kustom is a gateway to thousands of merchants. We help them grow faster through seamless integration and access to millions of shoppers.

We don't believe in one-size-fits-all or in going it alone. We believe in an open ecosystem that makes it easy for merchants to harness the full power of best-in-class features. All through a single integration, without the burden of unnecessary technical complexity.

Center of the value chain



Interviews

“It all comes down to the checkout”

Jonas Karlén, CEO Adlibris

What are the most important factors when choosing a checkout partner?

First and foremost, conversion is a major factor. We want our customers to have an easy and seamless experience when making their purchase, not getting stuck in long or complex forms that make them drop out. Secondly, it is important that the customer gets the options they prefer in the checkout, such as shipping options, payment methods and so on. Lastly, we are looking for partners who can grow their offering with us. The e-commerce sector as a whole, with Adlibris leading the way in our segment, is rapidly transforming to meet increasing customer demands in speed, catalogue, availability, customer experience and so on, and we want partners that are at their toes in evolving together with us.

Why did you choose Kustom?

Klarna as a payment method was one of the initial persuading factors when choosing Kustom, but during our partnership we have also seen a dedication and focus that really impresses us, not unlike how we like to see ourselves at Adlibris. It manifests in being committed to leading the technological development within payments, a clear merchant focus, an acceleration of the product development and of course the sheer scale of the business which make Kustom a fitting partner for our needs.



How important is the checkout for you?

Although we are expanding within the physical landscape, an e-commerce business of our size always has to fight to maintain healthy margins. This means that we are only as strong as our weakest link. No matter if it comes to logistics, where we have invested to automate and speed up our deliveries, deep learning and AI to provide our customers with suitable recommendations, the catalogue, which must always be up to date and wide enough to meet every need, and of course the checkout, which delivers the final cash flow, we have to be best in class.

What's your impression of Kustom as an independent company?

We have had a great start in our new partnership. Of course, we still see a lot of familiar faces from the Klarna-era, such as Jesper Eriksson (Chief Commercial Officer at Kustom), but the overall spirit of the new company is entrepreneurial, fast-paced and curious, which of course makes us excited to follow the journey.

Going forward, what important trends are you seeing on the e-commerce market as a whole?

We see contradictory trends. As in most sectors, AI and automation is playing a large part in our strategy going forward, and this will only accelerate as current solutions and models gain capabilities. However, we also see increased strengths in leveraging an omnichannel experience, and have recently expanded our presence with additional physical stores, building both brand and strengthening customer relationships. So a dominant trend will be combining the best of both worlds.

“The checkout is quiet, but crucial”

Albin Jansson, CEO at Wikinggruppen

Why have Visma and Wikinggruppen chosen Kustom as the default checkout on your platforms?

We have worked with the previous version of the product for many years, and it has been a good fit for our merchants. When the team behind Kustom took over, we saw a clear ambition to continue developing a solution already well integrated into our ecosystem – but with a sharper focus on merchant needs and long-term collaboration. That combination of continuity and renewed direction makes Kustom the right default choice for us.

Looking ahead, what key needs and challenges do merchants face – both when it comes to checkout and within commerce more broadly?

Merchants are operating in a more complex landscape than ever. Customer expectations keep rising – not just around payments, but around the full shopping experience: speed, convenience, flexibility. At the same time, many merchants are running small teams and handling most of the day-to-day business themselves, meaning anything that takes too much effort to set up or maintain becomes a bottleneck. Checkout is one of the areas where those expectations meet reality. It has to be reliable, efficient, and low-maintenance, but also flexible enough to scale with the business.



What kind of value are you looking to deliver to your merchants – and how does the partnership with Kustom support that goal?

Our focus is to provide a platform that enables merchants to get started quickly, manage their operations efficiently, and scale when the time is right. A built-in, well-performing checkout is an important part of that offering. With Kustom, we can provide a solution that is ready from day one, requires minimal setup, and is continuously maintained and improved. That helps us deliver a complete and reliable commerce environment, not just individual features but a cohesive system that supports the merchant’s day-to-day business.

What role does checkout play in your platform offering today?

Checkout is a fundamental part of the merchant experience, even if it is not always the first thing that gets noticed. For us, it has to be tightly integrated, technically reliable and easy to support at scale. It is one of the building blocks that allows us to offer a complete, full-stack platform with minimal friction. In that sense, it plays a quiet but crucial role.

What do you look for in a long-term product partnership and how does Kustom match those expectations?

A strong product is important, but equally important is the way we work together. We look for partners who are responsive, transparent and committed to shared success. With Kustom, we have had a constructive dialogue from the beginning, and a clear sense that they are open to feedback and willing to develop the product in ways that align with our needs. That kind of mindset is essential when you are building infrastructure that is meant to last.

Board of Directors' Report

Nature and focus of the activities

Kustom is a fintech company that offers one of Europe's leading checkout solutions. The business has been conducted since August 1, 2024, when Klarna Bank AB transferred assets and rights related to its checkout solution to the company Larkan XII AB (now Kustom AB) in the form of an asset transfer. On October 1, the company was acquired by Kustom BidCo AB (publ). The acquisition was led by Kamjar Hajabdolahi and BLQ Invest together with a group of Swedish investors. Through the acquisition, the company acquired the assets and rights, and continued operations under the new Kustom brand.

In a short period of time, Kustom has recruited a large number of people, including investors, senior executives and industry experts, with broad and solid experience from both the trading and payments ecosystem. Several of the recruited key employees have been involved in the design of the checkout solution under Klarna for a long time, which at the same time ensures continuity and a high rate of innovation.

Today, Kustom has 24,000 connected merchants in 18 markets and handles transactions in over 170 countries. The company is the largest player in the Nordic region.

Kustom BidCo AB (publ) (559363-9643) is a wholly owned subsidiary of Kustom HoldCo AB (559485-2914).

The company is based in Stockholm.

Significant events during the financial year

In the autumn, the company signed a strategic partnership with Stripe. The agreement has progressed according to plan, and the migration of customers from Klarna to Kustom's new Stripe-based platform has moved faster than expected. On December 20, 2024, the company successfully completed the first transaction for merchants on the new, upgraded platform – an important milestone in the company's development. The company is now preparing for a gradual migration of the entire customer portfolio during 2025, with a focus on ensuring a smooth transition for merchants.

Development of the Group's operations, financial position and results

(Amounts in SEKm)	2024	2023
Net income	378.0	-
Operating profit	86.9	-
Profit before tax	14.3	-
Total assets	2,426.1	0.5
Equity ratio ¹	13.9%	100%
Return on equity ²	0.2%	-
Return on total capital ³	4.2%	-
Average number of employees	29	-

¹ Equity/Total assets

² Net profit for the year/Adjusted equity

³ (Profit before tax + interest expenses)/Total assets

Comments on the Group's operations, financial position and results

The company's business development is in line with expectations, showing consistently stable growth. It has continued to attract new customers, and during the fourth quarter, approximately 600 new merchants were onboarded, while several major agreements were also renewed. During the financial year, the company's largest market, Sweden, performed more strongly than others—primarily due to expected customer churn in certain markets following the separation.

As a well-diversified company with a presence across all major e-commerce segments in the Nordics and Northern Europe, Kustom continues to reflect broader trends in the retail industry. The trading volume for the fourth quarter amounted to approximately SEK 38.5 billion, marking the strongest quarter of the year in line with seasonal patterns. As expected, the company experienced higher daily peaks during the holiday season, including Black Friday and Cyber Monday.

Development of the Parent Company's operations, position and results

During the period, the Parent Company issued a bond loan and received a capital injection 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 15.

(Amounts in SEKm)	2024	2023
Other income	0.8	-
Operating profit	-2.6	-
Profit before tax	-76.9	-
Total assets	2,093.9	0.5
Equity ratio ¹	12.4%	100%
Return on equity ²	-29.5%	-
Return on total capital ³	0.14%	-
Average number of employees	-	-

¹ Adjusted equity/Total assets

² Profit for the year/Adjusted equity

³ (Result before tax + interest expenses)/Total assets

Material 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.

Financial instruments and risk management

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 in the short term.

For a description of how the Group manages these risks in its operations, see Note 21.

Employees

At the end of the year, the Group had 80 full-time employees and consultants, of whom 49 were full-time employees.

Proposal for appropriation of profits (SEK)

The following earnings are at the disposal of the Annual General Meeting:

Retained earnings	-
Other contributed capital	337,000,000
Net result	<u>688,194</u>
	337,688,194

The Board of Directors proposes that the net result is to be carried forward.

to be carried forward	<u>337,688,194</u>
Total	337,688,194

Regarding the Parent Company's and the Group's results and position in general, reference is made to subsequent financial reports and notes. All amounts are expressed in millions of Swedish kronor unless otherwise stated.



Group financials

Consolidated Income Statement

(Amounts in SEKm)	Note	2024	2023
Net income	4	378.0	-
Work performed by entity and capitalized		12.1	-
Other income		0.2	-
Transaction and commission expenses		-209.6	-
Employee benefits	6	-18.7	-
Other external expenses	5	-44.6	-
Depreciation, amortization, and impairment of intangible and tangible assets		-30.5	-
Operating profit		86.9	-
Finance income	7	13.9	-
Finance cost	8	-86.4	-
Profit before tax		14.3	-
Income tax	9	-13.7	-
Net profit for the year*		0.7	-

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

Group Balance Sheet

(Amounts in SEKm)	Note	2024-12-31	2023-12-31	2023-01-01
ASSETS				
Non-current assets				
Goodwill	10	744.9	-	-
Merchant relationships	10	1,187.3	-	-
Technology	10	148.0	-	-
Property, plant and equipment	11	0.4	-	-
Other long-term receivables		0.9	-	-
Total non-current assets		2,081.6	-	-
Current assets				
Trade receivables	12, 21	61.6	-	-
Current tax receivables	21	9.1	-	-
Other current receivables	21	45.9	0.5	0.5
Current receivables group companies		0.5	-	-
Prepayments and other accrued income	13	20.2	-	-
Cash and cash equivalents	21	207.3	-	-
Total current assets		344.6	0.5	0.5
TOTAL ASSETS		2,426.1	0.5	0.5
EQUITY				
Share capital	14	0.5	0.5	0.5
Other paid-in capital	14	337.1	-	-
Retained earnings including net profit		0.7	-	-
Total equity attributable to owners of the parent company		338.3	0.5	0.5
Non-current liabilities				
Issued bonds	15, 21	1,653.9	-	-
Deferred tax liability	9	13.7	-	-
Total non-current liabilities		1,667.6	-	-
Current liabilities				
Liabilities to credit institutions	15, 21	78.6	-	-
Trade payables	21	5.9	-	-
Other short-term liabilities	16, 21	82.8	-	-
Provisions	21	18.3	-	-
Accrued expenses and deferred income	17, 21	234.6	-	-
Total current liabilities		420.2	-	-
TOTAL EQUITY AND LIABILITIES		2,426.1	0.5	0.5

Group Statement on Changes in Equity

(Amounts in SEKm)	Share capital	Other paid-in capital	Net profit	Total equity
Opening balance as of January 1, 2024	0.5	-	-	0.5
Net 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	-	337.1
Closing balance as of December 31, 2024	0.5	337.1	0.7	338.3

(Amounts in SEKm)	Share capital	Other paid-in capital	Net profit	Total equity
Opening balance as of January 1, 2023	0.5	-	-	0.5
Net profit for the year	-	-	-	-
Total comprehensive income	-	-	-	-
Transactions with owners:				
Capital contribution	-	-	-	-
Total transactions with owners	-	-	-	-
Closing balance as of December 31, 2023	0.5	-	-	0.5

Consolidated Cash Flow Statement

(Amounts in SEKm)	Note	2024	2023
Operating activities			
Operating profit		86.9	-
Adjustments for non-cash items in operating activities:			
<i>Depreciation & amortization</i>		30.5	-
<i>Other non-cash items</i>		-7.1	-
Interest received		13.3	-
Interest paid		-39.2	-
Income taxes paid		-9.1	-
Cash flow from operating activities before changes in working capital		75.3	-
Changes in working capital			
Increase (-) / Decrease (+) in other receivables		-5.9	-
Increase (+) / Decrease (-) in trade payables		5.9	-
Increase (+) / Decrease (-) in other liabilities		39.4	-
Cash flow from operating activities		114.7	-
Investing activities			
Investments in capitalized technology		-12.1	-
Investments in property, plant & equipment		-0.5	-
Investments in financial non-current assets		-0.9	-
Participation in Group companies	19	-1,957.4	-
Cash flow from investing activities		-1,970.8	-
Financing activities			
Liabilities to credit institutions	18	78.6	-
Issued bond	18	1,700.0	-
Transaction costs related to issued bonds	18	-52.7	-
Capital contribution		337.0	-
Cash flow from financing activities		2,062.9	-
Cash flow for the period		206.8	-
Cash and cash equivalents at the beginning of the period		-	-
Exchange rate diff. in cash and cash equivalents		0.5	-
Cash and cash equivalents at the end of the period	18	207.3	-

Notes to the financial report

1. General Information

Kustom BidCo AB (publ) with company registration number 559363-9643 is a limited liability company 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 (MSEK).

Adoption of the financial statements

The financial statements have been approved for issuance by the Board of Directors on April 28, 2025.

2. Key accounting principles

Basis for establishment

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.

The company and the group are newly started and have therefore not prepared a consolidated financial statement before. This is the Group's first annual report prepared in accordance with IFRS. 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.

Subsidiary

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 recognised in equity. Other contingent consideration is revalued at fair value as of each period end and changes in fair value are recognised 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 accounting currency

The accounts are prepared in Swedish kronor, which is the Group's accounting 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 recognised 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 and services 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 by the payment provider in connection with the completed purchase.

Employee benefits

Compensation to employees in the form of salaries, bonuses, paid holidays, paid sick leave, etc., as well as pensions are reported in line with the accrual.

Liabilities accounted 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 pension plans. Payment to a defined contribution pension plan is recognised as an expense when the employees have performed the services entitling them to the contributions.

Severance pay

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 surpluses. 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 surpluses 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 determinable useful lives are recognised at cost after deduction of accumulated depreciation and accumulated impairment. The estimated useful life and depreciation method are reassessed at least at the end of each financial year. The effect of any changes in estimates and assessments is reported forward-looking. Separately acquired intangible assets with indeterminate useful life are recognised at cost after deduction of accumulated impairment charges.

Goodwill

Goodwill is valued and initially reported in accordance with the above description under Business combinations. In the event of a divestment of a cash-generating entity, goodwill attributable to the cash-generating entity is included in the gain/loss of the divestment.

Impairment of goodwill

Goodwill is not written off, but is tested for impairment needs at least annually. When impairment needs are tested, 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 assessed for impairment needs annually, as well as whenever there is an indication that the entity may need to be written down.

If the recoverable value 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 entity and then reducing the other assets proportionally based on the carrying amount of each asset in the entity. A recognised impairment of goodwill is not reversed in subsequent periods.

Acquired merchant relationships and technology

In connection with acquisitions, part of the purchase price has been allocated to merchant relationships and technology. These are recognised at cost less accumulated depreciation and accumulated impairment charges. Depreciation 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 arise.

An internally accrued 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 conditions are met:

- It is technically possible to finalize the intangible asset so that it can be used or sold.
- The intention is to finalize the intangible asset and use or sell it.
- The ability for using or selling the intangible asset exist.
- It is possible to show how the intangible asset will generate likely future economic benefits.
- There are adequate technical, financial and other resources 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 calculated.

The cost of internally accrued 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 accrued intangible asset, the expenditure on development is recognised as an expense in the period in which it is incurred.

After the first accounting date, internally accumulated intangible assets are recognized at cost after deduction of accumulated depreciation and accumulated impairment, similar to intangible assets acquired separately. Depreciation is reported on a straight-line basis over the estimated useful life of 5 years.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any accumulated impairment losses. Land held under tenure is not subject to depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

The following usage periods apply:

Equipment	3 – 5 years
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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 property, plant and equipment 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 recognised in profit or loss.

Impairment of tangible and intangible assets excluding goodwill

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

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

The recovery value is the higher of its fair value minus sales costs and its utility value. For the purpose of calculating recoverable value, 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 value of an asset (or the cash-generating entity) is estimated to be lower than its carrying value, the carrying amount of the asset (or the cash-generating entity) is reduced to its recoverable value. 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 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 first 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 the income statement.

Classification of financial assets and liabilities

Debt instruments that meet the following conditions are measured at amortised 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 merely principal payments and interest on the outstanding principal amount.

Financial assets and liabilities recognised at amortised cost

The amortised 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 reserve. 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 amortised cost after the first accounting date are calculated by applying the effective interest rate to the carrying amount of the financial liability.

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

Financial assets

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

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 recognised 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 recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's equity instruments.

Financial liabilities

All financial liabilities are measured at amortised 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 purchase price on acquisitions or held for trading. These financial liabilities are measured at fair value with any gains or losses arising from changes in fair value recognised in the income statement.

Fair value is determined as described in Note 21.

Reserve for expected credit losses

The Group recognizes a loss reserve 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 the first accounting date.

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 reporting date. If there has not been a significant increase in credit risk since the first accounting date, the Group values the loss reserve for the financial asset at an amount corresponding to 12-month expected credit losses.

Valuation and recognition of expected credit losses

Valuation of expected credit losses is a function of the probability of default, loss arising from default and exposure to default. The assessment of the probability of default and the loss arising from default is based on historical data adjusted with forward-looking information described above. In the case of exposure to 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 profit.

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.

Regardless of the above criterion, the Group considers that default has occurred when a financial asset is more than 90 days mature.

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 the result.

In the event of removal of a financial asset valued at amortised cost, the difference between the asset's carrying value and the sum of remuneration and receivables received is reported.

Removal of financial assets from the statement of financial position

The Group shall remove 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 removal of a financial asset valued at amortised cost, the difference between the asset's carrying value and the sum of remuneration and receivables received is reported.

Removal of financial liabilities from the statement of financial position

The Group removes 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 booked away and the compensation paid is recognised in the income statement.

3. Key estimates and assessments

Intangible fixed assets and goodwill

Goodwill and other intangible fixed assets are impairment tested by estimating the recoverable value 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.

4. Breakdown of revenue from customer contracts

The Group derives its revenues from agreements with customers through the transfer of services over time from one operating segment:

Geographic region (Amounts in SEKm)	2024	2023
Sweden	235.1	-
Norway	71.3	-
Other Nordics	27.9	-
Rest of the world	43.7	-
Total	378.0	-

The Group only has revenue from one service area, which is the checkout solution. Information reported to the Group CEO (the highest executive decision-maker) as a basis for decisions on the allocation of resources and assessment of results is not broken down by segment. The Group has identified one reportable segment in accordance with IFRS 8.

5. Remuneration to auditor

(Amounts in SEKm)	2024	2023
Öhrlings PricewaterhouseCoopers AB		
audit engagement	1.6	-
other assignments	3.9	-
	5.5	-

Audit engagement refers to the auditor's remuneration for the statutory audit. The work includes the review of the annual report and accounting, the administration of the Board of Directors and the CEO, as well as fees for audit advice provided in connection with the audit assignment.

Other assignments relate to costs related to the acquisition of the business, such as due diligence, valuations, advice on acquisition structure and other advice related to the transaction.

6. Employees and personnel costs

Average number of employees 2024	Women	Men	Total
Sweden	5	23	28
Finland	0	1	1
Norway	0	0	0
Group total	5	24	29

Average number of employees 2023	Women	Men	Total
Sweden	-	-	-
Finland	-	-	-
Norway	-	-	-
Group total	-	-	-

Gender distribution of Board members and other senior executives 2024	Women	Men	Total
Board of Directors	-	3	3
Other senior executives	1	5	6
Group total	1	8	9

Gender distribution of Board members and other senior executives 2023	Women	Men	Total
Board of Directors	-	3	3
Other senior executives	-	1	1
Group total	-	4	4

Salaries, benefits and social security contributions

Salaries, benefits and social security contributions	2024	2023
Salaries and other benefits	11.2	-
Social security contributions	5.1	-
<i>of which pension costs</i>	1.4	-
Other personnel costs	2.4	-
Group total	18.7	-

Of which salaries, benefits and social security contributions to senior executives	2024	2023
Salaries and other benefits to the CEO	0.8	-
Salaries and other benefits to other senior executives	2.8	-
Social security contributions to the CEO	-	-
Social security contributions to other senior executives	1.0	-
Pension costs	0.5	-
Group total	5.1	-

Remuneration to senior executives

The Chairman of the Board and members of the Board of Directors are not paid any remuneration in accordance with the resolution of the Annual General Meeting. No remuneration is paid for committee work. The Annual General Meeting has resolved on the following guidelines regarding remuneration for the executive management:

Chief Executive Officer

Remuneration to the CEO is invoiced and recognised as an expense in the Group's income statement. This compensation includes all forms of compensation including base salary, bonuses, retirement benefits, and other benefits.

Other senior executives

Remuneration to other senior executives consists of base salary, other benefits and pension. Other senior executives refer to the 6 persons who, together with the CEO, make up Group Management.

Pension benefits and other benefits to other senior executives are paid as part of the total remuneration.

	Salaries/ remuneration	Other Benefits	Pension	Total
Salaries, benefits and social security contributions 2024				
Chief Executive Officer (Kamjar Hajabdolahi)	0.8	-	-	0.8
Other senior executives	2.8	-	0.5	3.3
Total remuneration to senior executives	3.6	-	0.5	4.1

	Salaries/ remuneration	Other Benefits	Pension	Total
Salaries, benefits and social security contributions 2023				
Chief Executive Officer	-	-	-	-
Other senior executives	-	-	-	-
Total remuneration to senior executives	-	-	-	-

Severance pay agreement

Upon termination of the CEO's employment, no severance pay will be paid.

Defined contribution pension plans

The Group only has defined contribution pension plans. The total cost reported in the result for defined contribution pension plans amounts to SEK 1.4 million.

7. Finance income

(Amounts in SEKm)	2024	2023
Interest income	13.3	-
Exchange rate differences	0.6	-
	13.9	-

8. Finance costs

(Amounts in SEKm)	2024	2023
Interest expense bonds	-78.1	-
Interest expense other	-1.3	-
Other financial expenses	-6.6	-
Exchange rate differences	-0.5	-
	-86.4	-

9. Tax

Income tax

(Amounts in SEKm)	2024	2023
Current tax on profit or loss for the year	-	-
Deferred tax	-13.7	-
Total current tax expense	-13.7	-

The current tax rate amounts to 20.6% (20.6%).

The reported tax expense for the year can be reconciled with the year's profit before tax as follows:

(Amounts in SEKm)	2024	2023
Profit before tax	14.3	-
Tax at the applicable tax rate for the parent company (20.6%)	-3.0	-
Non-deductible expenses	-0.2	-
Non-taxable income	0.0	-
Utilization of tax losses not recognized as deferred tax assets during the year	-13.9	-
Other	3.4	-
Reported effective tax	-13.7	-

Deferred tax

(Amounts in SEKm)	Merchant relationships	Goodwill	Total
As of January 1, 2023	-	-	-
Recognised in the result	-	-	-
Recognised in equity	-	-	-
Exchange differences	-	-	-
As of December 31, 2023	-	-	-
Recognised in the result	-	-	-
Recognised in equity	-	-	-
Participations in Group companies	7.7	6.0	13.7
Divestment of Group companies	-	-	-
Exchange differences	-	-	-
As of December 31, 2024	7.7	6.0	13.7

The following are the most significant deferred tax liabilities and deferred tax assets recognized by the Group and changes to these items during the current and previous reporting periods: Deferred tax assets and deferred tax liabilities shall be net recognized only where there is a legal right to set off the tax assets in question against the current tax liabilities, and the deferred tax assets and liabilities relate to taxes charged by the same tax authority and are intended to offset the current tax liabilities and tax liabilities by net payment. The following table shows deferred tax assets and deferred tax liabilities reported in the statement of financial position:

(Amounts in SEKm)	2024-12-31	2023-12-31	2023-01-01
Deferred tax liabilities	13.7	-	-
Deferred tax assets	-	-	-
Sum	13.7	-	-

10. Intangible fixed assets

(Amounts in SEKm)	Goodwill	Merchant relationships	Technology	Total
Accumulated acquisition cost	-	-	-	-
At beginning of year	744.9	1,210.6	143.1	2,098.6
Business combinations	-	-	-	-
Acquisition during the year	-	-	12.1	12.1
Additions through internal development	-	-	-	-
Exchange differences during the year	-	-	-	-
At year-end	744.9	1210.6	155.2	2,110.7
Accumulated depreciation	-	-	-	-
At beginning of year	-	-23.3	-7.2	-30.4
Depreciation for the year	-	-	-	-
Impairment for the year	-	-	-	-
Exchange differences during the year	-	-	-	-
At year-end	-	-23.3	-7.2	-30.4
Recognized value	744.9	1,187.3	148.0	2,080.2
At 31 December 2024	-	-	-	-
At 31 December 2023	-	-	-	-
At 1 Januari 2023	-	-	-	-

The useful life of internally accrued development expenses in the Group's technology is 5 years. Acquired technology is depreciated over their estimated useful life, which is an average of 5 years. The Group has acquired merchant relationships that are written off over 13 years, which is based on thorough analysis of historical data, market trends and customer behaviors. The goodwill item refers to goodwill from Kustom BidCo AB's acquisition of Kustom AB. The Group examines goodwill for impairment needs annually, or whenever there is an indication that goodwill may need to be written down.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine recoverable value. This year's impairment testing is based on the transaction that was completed on 1 October 2024 in connection with the acquisition of Kustom AB. The Board of Directors believes that the reported surplus values are in accordance with the assumptions and assessments made at the time of the acquisition and which form the basis for the prepared acquisition analyses. The Board of Directors therefore considers that there is no need for impairment.

11. Property, plant and equipment

(Amounts in SEKm)	Equipment	Total
Accumulated acquisition cost		
At beginning of year	-	-
Acquisitions during the year	0.5	0.5
Business combinations	-	-
Divestments and disposals	-	-
Exchange differences during the year	-	-
At year-end	0.5	0.5
Accumulated depreciation		
At beginning of year	-	-
Depreciation for the year	-0.1	-0.1
Impairment for the year	-	-
Exchange differences during the year	-	-
At year-end	-0.1	-0.1
Recognized value		
At 31 December 2024	0.4	0.4
At 31 December 2023	-	-
At 1 January 2023	-	-

12. Trade receivables

(Amounts in SEKm)	2024-12-31	2023-12-31	2023-01-01
Trade receivables	62.9	-	-
Loss reserve	-1.3	-	-
	61.6	-	-

Trade receivables

The Group's trade receivables mainly consist of negative net balances on merchants in the transaction flow and invoices. Negative net balances only arise when the return volume of an individual merchant over a certain period exceeds the total amount of consumer purchases. All trade receivables of this kind have a corresponding debt obligation reported to the payment provider.

The Group's provisions for trade receivables always amount to an amount corresponding to the expected credit losses for the remaining maturity. The Group calculates loss reserves based on a risk classification and the total exposure, which generates a risk-adjusted provision.

The Group writes off a trade receivable when there is information indicating that the merchant is in serious financial difficulties and there is no reasonable prospect of recovery, e.g. when the merchant is in liquidation or has initiated bankruptcy proceedings. None of the trade receivables that have been written off are subject to recovery activities.

The table below shows the change in expected credit losses for the Group's trade receivables.

(Amounts in SEKm)	Total
1 January 2023	-
Change in loss allowance due to new trade receivables (less allowance for settled receivables)	-
Recoveries	-
Write-offs	-
31 December 2023	-
Trade receivables acquired in business combination	0.3
Change in loss allowance due to new trade receivables (less allowance for settled receivables)	0.9
Recoveries	-
Write-offs	-
31 December 2024	1.3

13. Prepaid expenses and accrued income

(Amounts in MSEK)	2024-12-31	2023-12-31	2023-01-01
Prepaid insurance	2.2	-	-
Prepaid rent	0.9	-	-
Accrued income	16.3	-	-
Other prepaid expenses	0.8	-	-
	20.2	-	-

The loss reserve for accrued income amounts to an insignificant amount as of the balance sheet date and has therefore not been recognized.

14. Equity

Share capital

The share capital consists of 500,000 shares with a quota value of SEK 1 (500,000 shares with a quota value of SEK 1).

Other capital contributed

(Amounts in SEKm)	2024-12-31	2023-12-31
As of January 1	-	-
Received capital contribution from owners	337.0	-
As of December 31	337.0	-

Other contributed capital consists of the share premium reserve arising from the new issue of shares and shareholder contributions.

15. Borrowing

(Amount in SEKm)	2024-12-31	2023-12-31	2023-01-01
Borrowing valued at amortised cost			
Credit facility	78.6	-	-
Issued bond	1,653.9	-	-
Total borrowing	1,732.5	-	-
Classified as:			
Long-term liabilities	1,653.9	-	-
Short-term liabilities	78.6	-	-

Kustom BidCo AB (publ) has in 2024 issued a four-year bond loan 2024/2028 of SEK 1,700 million within a framework of SEK 3,000 million (ISIN: SE0022421756). The 2024/2028 bond loan was listed on Nasdaq Stockholm's corporate bond list on 11 July 2024. The bond has a floating interest rate with a coupon of 3-month STIBOR plus 5.5 basis points. For more information, see the company's website.

16. Other short-term liabilities

(Amounts in SEKm)	2024-12-31	2023-12-31	2023-01-01
Employee-related liabilities	2.4	-	-
Short-term liability to payment service provider	73.2	-	-
VAT liabilities	7.2	-	-
	82.8	-	-

17. Accrued expenses and prepaid income

(Amounts in SEKm)	2024-12-31	2023-12-31	2023-01-01
Accrued holiday pay	3.3	-	-
Accrued social security contributions	1.0	-	-
Accrued payroll tax	0.4	-	-
Accrued audit fees	1.2	-	-
Accrued commission expenses	22.6	-	-
Accrued transaction costs	164.1	-	-
Accrued interest	38.0	-	-
Other accrued expenses	4.0	-	-
	234.6	-	-

18. Cash flow statement

Cash and cash equivalents

(Amount in SEKm)	2024-12-31	2023-12-31	2023-01-01
Cash and bank balances	207.3	-	-
Total according to Cash Flow Statement	207.3	-	-

Reconciliation of liabilities originating from financing activities

(Amount in SEKm)	2023	Cash flow	Other Changes	2024
Credit facility	-	78.6	-	78.6
Issued bond	-	1,647.3	6.6	1,653.9
Total liabilities originating from financing activities	-	1,725.9	6.6	1,732.5

19. Acquisition of subsidiaries

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 within 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
Cash and cash equivalents	2,065.0
Less: acquired cash and cash equivalents	-107.6
Net cash flow on acquisition	1,957.4

The fair value of the current receivables includes receivables from merchants with 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 merchants, 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 purchase price 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 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 cooperation agreement with Klarna (the seller), which ensures continuity and security of 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 date of acquisition 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.

20. Pledged assets and contingent liabilities

As of 31 December 2024, the Group has no pledged assets. However, a contingent liability of 0.05 mSEK exists in the form of restricted funds related to a guarantee for which Euroclear is the beneficiary.

21. Financial instruments

Through its operations, the Group is exposed to various types of financial risks. Financial risks refer to fluctuations in earnings and cash flow as a result of changes in exchange rates and credit risks. The Group's financial policy, as adopted by the Board of Directors, constitutes a framework of guidelines and rules in the form of risk mandates and limits for the financial operations.

Responsibility for managing the Group's financial transactions and risks is centralised to the finance function within the parent company. The finance function's overall objective is to ensure cost-effective financing and to minimise negative effects on the Group's earnings as a result of market risks.

Classes and categories of financial instruments

The following table provides information on classes of financial instruments based on their characteristics and nature:

(Amount in SEKm)	2024-12-31	2023-12-31	2023-01-01
	Amortised cost	Amortised cost	Amortised cost
Financial assets			
Other non-current receivables	0.9	-	-
Trade receivables	61.6	-	-
Other current receivables	45.9	-	-
Accrued income	16.3	-	-
Cash and cash equivalents	207.3	-	-
	332.0	-	-
Financial liabilities			
Issued bond	1,653.9	-	-
Liabilities to credit institutions	78.6	-	-
Trade payables	5.9	-	-
Other current liabilities	82.8	-	-
Provisions	18.3	-	-
Accrued expenses	234.6	-	-
	2,074.1	-	-

The carrying amount of short-term financial assets and liabilities has been assessed to correspond to fair value, as the effect of discounting is negligible. For other long-term assets, the carrying amount is considered to reflect fair value in all material respects considering the low amount. Regarding the bond loan, which carries a floating interest rate with quarterly payments, the fair value is estimated to correspond to the nominal amount of the debt instrument, which amounts to SEK 1,700 million.

Fair value

The fair value of financial assets and liabilities is determined according to three levels, depending on the available market information used in the valuation. For financial instruments that are not regularly measured at fair value, the book value is considered to be a reasonable estimate of fair value because the liabilities and receivables are short-term or the interest rate on borrowing is on par with current market interest rates.

- Level 1: Level 1 inputs are quoted prices (unadjusted) on active markets for identical assets or liabilities that the company has access to at the time of valuation.
- Level 2: Level 2 inputs are inputs other than the quoted prices included in Level 1, which are directly or indirectly observable for the asset or liability.
- Level 3: Level 3 inputs are Unobservable inputs for the asset or liability.

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis.

Certain of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The Group only has contingent earn-outs that are valued at fair value, these are valued at SEK 0 as of 2024-12-31 according to level 3.

There were no transfers between levels 1 and 2 in the current or previous year.

Risk management strategy

The overall purpose of Kustom's financial risk management is to identify, control and minimize the Group's financial risks. Risk management is partly centralised to the management team and the Group's finance function. The most significant financial risks to which the Group is exposed include market risks (including currency and interest rate risk), credit risk and liquidity risk.

Market risk

The Group's operations are primarily exposed to financial risks through changes in exchange rates and interest rates (see below).

(i) Currency risk management

The Group conducts transactions in foreign currencies and consequently exposures to exchange rate fluctuations arise.

The net carrying amount of the Group's assets and liabilities in foreign currency as of the balance sheet date amounts to the following:

(Amount in SEKm)	2024-12-31	2023-12-31	2023-01-01
NOK	26.8	-	-
EUR	24.1	-	-
GBP	12.3	-	-
DKK	3.7	-	-

Currency Sensitivity Analysis

The Group is mainly exposed to currency risk in NOK and EUR. The table below describes the Group's sensitivity to an increase and decrease of 10 percent in currency units against the relevant foreign currencies. 10 percent is the sensitivity rate used in internal reporting of currency risk to key employees and represents management's assessment of the reasonably possible change in exchange rates. The sensitivity analysis includes only outstanding foreign currency items and adjusts their year-end translation.

(Amount in SEKm)	2024-12-31	2023-12-31	2023-01-01
NOK	+/- 2.7	-	-
EUR	+/- 2.4	-	-
GBP	+/- 1.2	-	-
DKK	+/- 0.4	-	-

(ii) Interest rate risk management

The Group is exposed to interest rate risk because borrowing is made at a variable interest rate.

The Group's exposures to interest rates on financial assets and financial liabilities are described in the liquidity risk management section of this note.

Interest Rate Sensitivity Analysis

The sensitivity analyses below have been determined based on the interest rate exposure as of the balance sheet date. For liabilities with variable interest rates, the analysis is prepared on the assumption that the outstanding amount on the balance sheet date was outstanding for the full year. An increase or decrease of 100 basis points is used in internal reporting of interest rate risk to key employees and presents management's assessment of the reasonably possible interest rate change.

When assumptions that have been used have changed from previous years, include details and reasons for those changes.

If interest rates had been 1 percentage point higher/lower and all other variables were kept constant, the effect on the income statement would have been +/- SEK 34 million. This is mainly attributable to the Group's exposure to interest rates on its floating rate borrowings.

Group credit risk exposure

Credit risk means the risk that a party to a financial instrument is unable to meet an obligation and thereby cause the counterparty a financial loss.

As of December 31, 2024, the Group's maximum exposure to credit risk, without taking into account collateral or other credit enhancement, is the carrying amount of each reported financial asset as stated in the consolidated financial statements; and

2024-12-31	Note	Expected credit losses	Gross carrying amount	Loss allowance	Net carrying amount
Trade receivables	12	Lifetime	62.9	-1.3	61.6
Other receivables		Lifetime	10.6	-0.8	9.8
Financial guarantees		Lifetime	-	-18.3	-18.3
Cash and cash equivalents		12 months (low credit risk)	207.3	-	207.3
			280.7	-20.3	260.4

The Group's maximum exposure to credit risk amounts to SEK 278.7 million, in addition to potential financial guarantees.

Credit risk management

In order to minimize credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties in order to mitigate the risk of financial loss in the event of default. The credit rating information is provided by independent credit rating agencies and, if it is not available, the Group uses other available financial information and its own models to rate customers. The Group's exposure and the counterparties' credit ratings are monitored continuously.

Customers' limits and ratings are reviewed and approved on an ongoing basis by the credit risk department. 99.54% of accounts receivable have a good risk grade attributable to the external credit rating system used by the Group.

Credit approvals and other monitoring processes are also in place to ensure that follow-up actions are taken to recover overdue debts. Furthermore, the Group reviews the recoverable value of each trade receivable and debt investment on an individual basis at the end of the reporting period to ensure that sufficient losses are taken for stranded amounts. Accounts receivable consist of a large number of customers, spread across different industries and geographies. Ongoing credit assessment is performed on the financial condition of accounts receivable.

Liquidity risk

Responsibility for liquidity risk management lies with the Board of Directors, which has established a framework for short-, medium- and long-term liquidity risk management for financing and liquidity. The Group manages short-term liquidity risk by maintaining sufficient reserves, bank facilities and overdraft facilities. The liquidity reserve as of the balance sheet date consists of cash and cash equivalents and unutilised guaranteed credit facilities and amounts to a total of SEK 208.7 million.

Long-term liquidity risk is managed by continuously monitoring forecasts and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The tables below describe the Group's remaining contractual maturity for its financial liabilities. The table includes both interest and cash flows. To the extent that interest flows are variable interest rates, the interest rate on the balance sheet date is used, and for flows in foreign currency, the rate on the balance sheet date is used. The contractual term is based on the earliest date on which the Group may be required to pay. Cash flows are undiscounted.

2024-12-31	> 1 month	1-3 months	3-12 months	1-2 years	2-5 years	5+ years	Total	Carrying amount
31 December 2024								
Trade payables	2.3	3.6	-	-	-	-	5.9	5.9
Issued bond	38.0	-	139.3	304.00	1,789	-	2,270.0	1,653.9
Credit facility	-	78.6	-	-	-	-	78.6	78.6
Other short-term liabilities	9.6	-	-	-	-	-	9.6	9.6
Provisions	-	18.3	-	-	-	-	18.3	18.3
Accrued expenses	39.0	-	195.6	-	-	-	234.6	234.6
31 December 2023								
Trade payables	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Contingent purchase price adjustment	-	-	-	-	-	-	-	-
1 January 2023								
Trade payables	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Contingent purchase price adjustment	-	-	-	-	-	-	-	-

Capital risk management

The Group manages its capital to ensure that units in the Group will be able to continue operating even with ongoing problems at the same time, and that returns to shareholders are maximised through optimisation of the debt and capital balance. Capital is defined as equity.

22. Events after the reporting period

On February 26, 2025, Kustom Mobile POS was announced. A solution that enables physical card payments using a standard smartphone. Mobile POS is the first solution in the Nordics to integrate online and in-store payments into a unified system. For merchants, Kustom Mobile POS offers an easy way to start selling in physical stores.

23. Related party transactions

Intra-group dealings and transactions between the Company and its related subsidiaries have been eliminated in the preparation of the consolidation and are not disclosed in this note. Transactions between the Group and other related parties are presented below.

Commercial transactions

During the year, Group companies entered into the following transactions with related parties that are not part of the Group:

The Group

(Amounts in SEKm)	Sales of goods and services from companies controlled by senior executives	Purchase of goods and services from companies controlled by senior executives	Shareholder contribution	Receivable from related parties as of Dec 31	Liabilities to related parties as of Dec. 31
2023	-	-	-	-	-
2024	-	0.8	-	0.5	-

For information on remuneration to senior executives, see Note 6 Employees and personnel costs.

24. 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 advice, 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 The first time IFRS is applied 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 IFRS is applied. The main rule in 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.



Parent company financials

Income Statement, Parent Company

(Amounts in SEKm)	Note	2024	2023
Other income	2	0.8	-
Other external expenses	3	-3.4	-
Operating result		-2.6	-
Financial income	4	12.5	-
Financial expenses	5	-86.9	-
Result before tax		-76.9	-
Income tax	6	-	-
Net result for the year*		-76.9	-

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

Balance Sheet, Parent Company

(Amounts in SEKm)	Note	2024-12-31	2023-12-31	2023-01-01
ASSETS				
Fixed assets				
Participation in Group companies	7	2,076.7	-	-
Total fixed assets		2,076.7	-	-
Current assets				
Other current receivables	8	3.8	0.5	0.5
Receivables from Group companies		0.8	-	-
Cash & cash equivalents		12.6	-	-
Total current assets		17.3	0.5	0.5
TOTAL ASSETS		2,093.9	0.5	0.5
EQUITY AND LIABILITIES				
Equity				
<i>Restricted equity</i>				
Share capital	9	0.5	0.5	0.5
<i>Unrestricted equity</i>				
Other paid-in capital	10	337.0	-	-
Retained earnings		-	-	-
Net profit		-76.9	-	-
Total equity		260.6	0.5	0.5
Non-current liabilities				
Issued bonds	11	1,653.9	-	-
Liabilities to group companies		60.3	-	-
Total non-current liabilities		1,714.2	-	-
Current liabilities				
Liabilities to credit institutions	11	78.6	-	-
Trade payables		0.8	-	-
Accrued expenses and deferred income	12	39.8	-	-
Total current liabilities		119.2	-	-
TOTAL EQUITY AND LIABILITIES		2,093.9	0.5	0.5

Change in Equity, Parent Company

(Amounts in SEKm)	Share capital	Other paid-in capital	Net result	Total equity
Opening balance as of January 1, 2024	0.5	-	-	0.5
Net profit for the year	-	-	-76.9	-76.9
Total comprehensive income	-	-	-76.9	-76.9
Transactions with owners:				
Capital contribution	-	337.0	-	337.0
Total transactions with owners	-	337.0	-	337.0
Closing balance as of December 31, 2024	0.5	337.0	-76.9	260.6

(Amounts in SEKm)	Share capital	Other paid-in capital	Net result	Total equity
Opening balance as of January 1, 2023	0.5	-	-	0.5
Net profit for the year	-	-	-	-
Total comprehensive income	-	-	-	-
Transactions with owners:				
Capital contribution	-	-	-	-
Total transactions with owners	-	-	-	-
Closing balance as of December 31, 2023	0.5	-	-	0.5

Cash Flow Statement, Parent Company

(Amounts in SEKm)	Note	2024	2023
Operating activities			
Operating profit		-2.6	-
Interest received		12.5	-
Interest paid		-41.6	-
Interest paid to group companies		-0.7	-
Cash flow from operating activities before changes in working capital		-32.4	-
Changes in working capital			
Increase (-) / Decrease (+) in trade receivables group companies		-0.8	-
Increase (-) / Decrease (+) in other receivables		-3.8	-
Increase (+) / Decrease (-) in trade payables		0.8	-
Increase (+) / Decrease (-) in other liabilities		2.3	-
Cash flow from operating activities		-33.9	-
Investing activities			
Participation in group companies	7	-2,076.7	-
Cash flow from investing activities		-2,076.7	-
Financing activities			
Liabilities to credit institutions		78.6	-
Issued bond	13	1,700.0	-
Transaction costs related to issued bonds	13	-52.7	-
Loans from group companies		60.3	-
Capital contribution		337.0	-
Cash flow from financing activities		2,123.2	-
Cash flow for the period		12.6	-
Cash and cash equivalents at the beginning of the period		-	-
Exchange rate diff. in cash and cash equivalents		-	-
Cash and cash equivalents at the end of the period		12.6	-

Notes for the parent company

1. 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 Safeguarding 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 report on financial position and report on 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 Change in Equity Report 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 statements and balance sheets consist primarily of the accounting of equity.

Subsidiary

Shares in subsidiaries are reported in the parent company according to the cost method and include transaction costs directly attributable to the acquisition. Contingent purchase price is recognised 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. Financial liabilities are recognized at amortized cost.

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

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 made group contributions in accordance with the alternative rule as appropriation of the financial statements. Shareholder contributions are recognised directly against the recipient's equity and capitalised in shares and participations with the donor, to the extent that impairment is not required.

2. Revenue from contracts with customers

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

3. Remuneration to auditors

(Amounts in SEKm)	2024	2023
Öhrlings PricewaterhouseCoopers AB		
audit engagement	0.7	-
other assignments	2.8	-
	3.5	-

4. Other interest income and similar income

(Amounts in SEKm)	2024	2023
Interest income	12.5	-
Other	-	-
	12.5	-

5. Interest expenses and similar items

(Amounts in SEKm)	2024	2023
Interest expense bonds	-78.1	-
Interest expense group companies	-0.7	-
Interest expense other	-1.1	-
Other financial expenses	-6.6	-
Exchange differences	-0.4	-
	-86.9	-

6. Taxes

(Amounts in SEKm)	2024	2023
Current tax on profit or loss for the year	-	-
Adjustment of tax relating to previous years	-	-
Total current tax expense	-	-

Reconciliation of effective tax

(Amounts in SEKm)	2024	2023
Profit before tax	-76.9	-
Swedish tax rate of 20,6 % (20,6%)	15.8	-
Tax effect from non-deductible expenses	-	-
Tax effect from non-taxable income	0.0	-
Unused loss carry-forwards for which no deferred tax asset has	-15.8	-
Reported effective tax	0.0	-

7. Participation in Group companies

Name of company	Corp. ID. No.	Registered office	Share of equity, %	Number of participations
Kustom AB	559463-5038	Stockholm	100%	25,000

(Amount in SEKm)	2024-12-31	2023-12-31	2023-01-01
Acquisition values			
Opening accumulated cost per 1 January	-	-	-
Participations Kustom AB	2,076.7	-	-
Closing carrying amount	2,076.7	-	-

8. Other current receivables

(Amounts in SEKm)	2024-12-31	2023-12-31	2023-01-01
VAT receivable	3.3	-	-
Other	0.5	-	-
	3.8	-	-

9. Equity

As of December 31, 2024, the share capital consisted of 500,000 (500,000) shares. Each share has a quota value of SEK 1 (SEK 1).

10. Other contributed capital

Other capital contributed consists of capital contributions received by the parent company Kustom HoldCo AB.

11. Interest-bearing liabilities to credit institutions

(Amounts in SEKm)	2024-12-31	2023-12-31	2023-01-01
Interest-bearing liabilities valued at amortised cost			
Bank loan	78.6	-	-
Issued bond	1,653.9	-	-
	1,732.5	-	-
Classified as:			
Long-term liabilities	1,653.9	-	-
due for payment 5 years after the balance sheet date	1,700.0	-	-
Short-term liabilities	78.6	-	-

12. Accrued expenses and prepaid income

(Amounts in SEKm)	2024-12-31	2023-12-31	2023-01-01
Accrued audit fees	0.5	-	-
Accrued interest	38.0	-	-
Other accrued expenses	1.3	-	-
	39.8	-	-

13. Statement of cashflows

(Amount in SEKm)	2024-12-31	2023-12-31	2023-01-01
Cash and bank balances	12.6	-	-
Total according to Cash Flow Statement	12.6	-	-

For reconciliation of liabilities arising from financial activities, see Note 18 in the Group.

14. Pledged assets and contingent liabilities

As of 31 December 2024, the Parent Company has no pledged assets. However, a contingent liability of SEK 0.05 million exists in the form of restricted funds related to a guarantee for which Euroclear is the beneficiary.

15. Related party transactions

Transactions between the parent undertaking and its subsidiaries, which are related to the parent undertaking, as well as details of transactions between other related parties, are presented below:

Group companies	(Amounts in SEKm) Transactions with Group companies	Sale of services to related parties	Purchases of services from related parties	Received shareholder contribution	Receivable from related parties as of Dec. 31	Debt to related parties as of Dec. 31
2023		-	-	-	-	-
2024		0.8	0.8	337.0	0.8	60.3

16. Appropriation of the Parent Company's net result

The following accumulated loss is at the disposal of the Annual General Meeting:

Retained earnings	-
Other contributed capital	337,000,000
Net result	-76,918,766
	260,081,234
The Board of Directors proposes that the net result is to be carried forward.	
to be carried forward	260,081,234
Sum	260,081,234

Declaration and signatures

The annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated financial statements have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The Annual Report and the Consolidated Financial Statements give a true and fair view of the Parent Company's and the Group's position and results and describe significant risks and uncertainties faced by the Parent Company and the companies that are part of the Group.

Stockholm on April 28, 2025

Erik Halvord Chairman of the Board

Kamjar Hajabdolahi Chief Executive Officer

Mazdak Shiasi Board Member

Our auditor's report was submitted on April 28, 2025
Öhrlings PricewaterhouseCoopers AB

Åsa Eriksson Authorized Public Accountant

Magnus Lagerberg Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Kustom BidCo AB (publ), corporate identity number 559363-9643

Report on the annual accounts and consolidated accounts

Opinions

We have performed an audit of the annual accounts and consolidated accounts of Kustom BidCo AB (publ) for year 2024. The annual accounts and consolidated accounts of the company are included on pages 15–74 in this document. In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Other information

The annual accounts for the year 2023 has not been subject to audit, and therefore, no audit of the comparative figures in the annual accounts and consolidated accounts for year 2024 has been conducted.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–14. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company and group's ability to continue as a going concern. They 1 of 3 disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, cease operations or has no realistic alternative to doing any of this.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. 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 economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Kustom BidCo AB (publ) for year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the loss be dealt with in accordance with the proposal in the statutory administration report and that the member of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Kustom BidCo AB (publ) for year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the loss be dealt with in accordance with the proposal in the statutory administration report and that the member of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company and group's type of operations, size and risks place on the size of the parent company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes among other things continuous assessment of the company and group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company,
- or in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm the date indicated by our electronic signature
Öhrlings PricewaterhouseCoopers AB

Åsa Eriksson Authorized Public Accountant

Magnus Lagerberg Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Kustom

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