

Kustom

Interim report first quarter 2025



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Quarter 1: January 1 2025 – March 31 2025

Net income

SEK 302.9m

Operating profit

SEK 52.0m

Net profit

SEK 2.1m

Cash flow from operating activities

SEK 21.3m

Key events during the quarter

- During the quarter, Kustom announced its new product "Kustom Mobile Point of Sale". The product enables the company's merchants to accept physical card payments with a normal smartphone.
- During the quarter, Kustom has continued the development of, and migration to, its new technical platform. We remain ahead of schedule in this work.

Key Figures

(Amounts in SEKm unless otherwise stated)	Jan-Mar		Full year
	2025	2024	2024
Net income	302.9	-	378.0
Operating profit	52.0	-	86.9
Net profit	2.1	-	0.7
Cash flow from operating activities	21.3	-	114.7
Equity ratio	14.4%	-	13.9%

“We are not only evolving our product, but also investing in the teams and processes that make a real difference in our merchants’ day-to-day operations.”

Kamjar Hajabdolahi, CEO



CEO commentary

Performance and profitability remains in line with expectations

Kustom entered 2025 with strong momentum, delivering performance and profitability in line with expectations. Concluding the first six months of our build-up phase, we are now seeing tangible results, both in terms of organizational development and the evolution of our independent platform. Existing clients and new merchants alike continue to show strong confidence and engagement in our continued development.

The migration to our new, upgraded platform is progressing faster than anticipated, enabling a full-scale transition ahead of schedule.

Product innovation driven by real market needs

In February, we announced our new feature, “Kustom Mobile Point of Sale” (Mobile POS). This makes us the first player in the Nordics to fully unify online and in-store purchases within a single, integrated system. With Mobile POS, merchants can easily accept card payments and digital wallets directly through their smartphone – without complex installations or additional hardware.

The merchant’s phone functions as a traditional in-store checkout terminal, allowing the customer to pay just like any regular purchase – without scanning a QR code, using BankID, or relying on any additional technical solutions. This marks an important first step in our omnichannel strategy.

Our new product was developed to address a clear need for our merchants – consolidating physical and digital sales flows into one unified system for payments, inventory, and business data. The comprehensive solution simplifies administration, reduces technical complexity, and enables truly seamless commerce across all channels.

In March, we showcased the product for the first time at D-Congress in Gothenburg. The response has been overwhelmingly positive, with strong interest from merchants of all sizes.

Renewed trust from leading merchants and strong new customer growth

Several of our key clients chose to renew their contracts with Kustom this quarter, including Sweden's Coop and Norway's Varner Group (with brands such as Dressmann, Cubus and Bikbok). That some of the most established players in the market actively choose to continue working with us confirms the strength of our offering.

Around 500 new merchants joined Kustom in the first quarter, including well-known brands such as Mizuno and Koenigsegg. This reflects the growing demand for our solution and aligns well with expectations.

Our platform meets the needs of merchants with diverse business models and challenges, ranging from small, fast-growing e-commerce businesses to established global brands with complex requirements and operational profiles. By offering an open and scalable infrastructure, we continue to strengthen our position as a flexible, future-proof solution.

Core organization in place

With all core functions in place and a team of 94 employees, we have built an organization that can cater to the long-term strategic priorities of the company. During the quarter, we onboarded 14 new colleagues to further sharpen our capabilities. Moving forward, talent acquisition will be focused on selective, strategic hires.

We are not only evolving our product, but also investing in the teams and processes that make a real difference in our merchants' day-to-day operations. The combination of deep technical competence and strong business understanding is critical, especially in situations where fast, qualified support is essential to the merchant's business. That's why we continue to invest in talent with deep local and technical expertise. Being present and proactive in key moments reinforces our promise to always put the merchant's business first.

Regulatory readiness and strong position in a shifting landscape

The commercial landscape in which Kustom operates is changing rapidly. Checkout solutions, payment flows, shipping and loyalty programs have long been strategic priorities for merchants, suppliers and investors – but are now also drawing growing media attention.

At the same time, legislators are showing increased engagement in the area of transparency and responsible payment flows, as evidenced by the new Norwegian consumer credit regulations that came into effect on March 1. This regulatory development plays directly to Kustom's strengths: an independent, technology-driven model that already meets the standards of tomorrow.

As an independent provider of checkout infrastructure, we do not own or promote any proprietary payment methods or credit products. Our platform integrates a wide range of payment options and features without hidden agendas, giving merchants flexibility to fully control their checkout solution. Our ambition is to continue combining high conversion for merchants with responsible payment options for consumers.

Our independence also gives us the freedom to choose the best partners, introduce new features quickly and support our merchants as their needs evolve. This positions us strongly in a more regulated environment, where sustainability, transparency and flexibility are key.

Through our strategy built on an open ecosystem and a clear merchant focus, Kustom continues to be a safe and flexible choice. We're not just adapting to change. We're leading it.

Macro trends and outlook

Geopolitical tensions and new U.S. trade tariffs are impacting the global business climate, but the effect on Kustom remains limited thanks to our European focus and diversified customer portfolio, although we are affected by broader retail trends. With a strong focus on innovation, partnerships and tangible value for our merchants, we are well positioned for long-term growth.



Kamjar Hajabdolahi, CEO

Kustom in brief

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

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

Since becoming an independent company, Kustom has recruited several key team members with substantial experience, and a long history of building and developing the checkout product. They have joined Kustom in both executive roles and as investors, alongside other industry leaders. This ensures continuity while driving new innovation. Today, Kustom has 24,000 connected merchants across 18 markets, processing transactions in over 170 countries. The company is the largest operator in the Nordics.

Strategy

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

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

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

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

Financial performance in the first quarter

1 January – 31 March 2025

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

Net Income

Net sales for the quarter amounted to SEK 302.9 million, which is SEK 75.1 million lower than the fourth quarter of the previous year. This is in line with expectations and reflects seasonal variations in the company's business, which follows a pattern typical of the retail sector where the fourth quarter is usually the strongest due to holiday sales, Black Friday, and similar campaign periods.

Operating profit

Operating profit for the quarter amounted to SEK 52.0 million.

Tax

The Group's effective tax was 87.8 percent.

Net profit

Net profit amounted to SEK 2.1 million.

Liquidity and cash flow

Cash flow from operating activities amounted to SEK 21.3 million.
Cash flow from investing activities amounted to SEK -22.5 million.
Cash flow from financing activities amounted to SEK -79.4 million.
Cash flow for the quarter amounted to SEK -80.5 million.

Operating cash flow for the first quarter was impacted by payments of accrued expenses related to the fourth quarter of the previous year. These expenses primarily concern a major supplier who had previously fallen behind on invoicing. This has now been resolved, but resulted in a temporary burden on cash flow during the quarter. In addition, the company repaid the short-term credit facility of SEK 78.6 million that was raised in connection with the acquisition of Kustom AB.

At the end of the period, the Group's cash and cash equivalents amounted to SEK 129.3 million.

Financial position

The equity/assets ratio amounted to 14.4 percent as of March 31, 2025 and equity amounted to SEK 340.3 million. Total assets amounted to SEK 2,371.3 million.

Key events after the reporting period

On May 19 2025, Kustom entered into a financing agreement regarding a short-term credit facility of SEK 100 million.

Employees

The total workforce of the Group as of March 31, 2025 amounted to 94 people, of which 74 were full-time employees.

Risks and uncertainties

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

Some of the most significant operational risks are linked to the following factors:

Macroeconomic effects

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

IT security, operational disruptions and technical development

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

The ability to recruit and retain competence

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

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.

Parent company

The parent company Kustom BidCo AB (publ) reported other income for the period January to March 2025 of SEK 0.8 million.

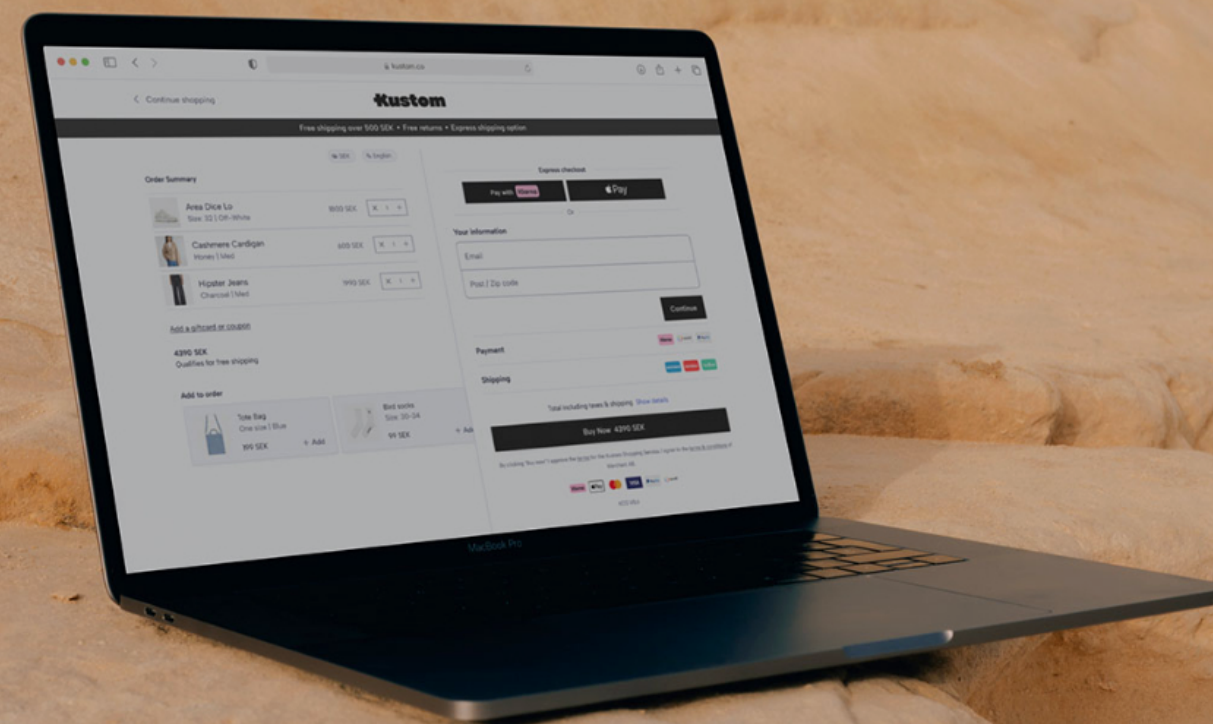
Other external expenses amounted to SEK 1.4 million for the period January to March 2025.

The parent company's result before tax for the period January to March 2025 amounted to SEK -37.9 million.

The parent company's cash and cash equivalents amounted to SEK 34.7 million on March 31, 2025.

Related party transactions are presented in Note 7.

Financial reports



Condensed Consolidated Statement of Profit or Loss

(Amounts in SEKm)	Jan-Mar		Full year
	2025	2024	2024
Net income	302.9	-	378.0
Work performed by entity and capitalized	12.3	-	12.1
Other income	0.0	-	0.2
Transaction and commission expenses	-172.5	-	-209.6
Employee benefits	-27.7	-	-18.7
Other external expenses	-30.9	-	-44.6
Depreciation, Amortization and Impairment	-32.2	-	-30.5
Operating profit	52.0	-	86.9
Finance income	1.8	-	13.9
Finance cost	-36.7	-	-86.4
Profit before tax	17.1	-	14.3
Income tax expense	-15.0	-	-13.7
Net profit*	2.1	-	0.7

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

Condensed Consolidated Statement of Financial Position

(Amounts in SEKm)	2025-03-31	2024-03-31	2024-12-31
ASSETS			
Non-current assets			
Goodwill	744.8	-	744.8
Merchant relationships	1,164.0	-	1,187.3
Technology	163.2	-	148.0
Property, plant and equipment	0.4	-	0.4
Right-of-use assets	15.2	-	-
Deferred tax assets	0.0	-	-
Other long-term receivables	1.1	-	0.9
Total non-current assets	2,088.7	-	2,081.6
Current assets			
Trade receivables	39.0	-	61.6
Current tax receivables	14.5	-	9.1
Other current receivables	81.8	0.5	45.9
Current receivables group companies	0.5	-	0.5
Prepayments and other accrued income	17.4	-	20.2
Cash and cash equivalents	129.3	-	207.3
Total current assets	282.6	0.5	344.6
TOTAL ASSETS	2,371.3	0.5	2,426.1
EQUITY			
Share capital	0.5	0.5	0.5
Other paid-in capital	337.0	-	337.1
Retained earnings including net profit	2.8	-	0.7
Total equity attributable to owners of the parent company	340.3	0.5	338.3
Non-current liabilities			
Deferred tax liability	28.7	-	13.7
Long-term interest-bearing lease liabilities	9.1	-	-
Issued bonds	1,657.2	-	1,653.9
Total non-current liabilities	1,695.0	-	1,667.6
Current liabilities			
Liabilities to credit institutions	0.0	-	78.6
Current lease liabilities, interest-bearing	6.7	-	-
Trade payables	35.3	-	5.9
Other short-term liabilities	111.5	-	82.8
Provisions	14.9	-	18.3
Accrued expenses and deferred income	167.6	-	234.6
Total current liabilities	336.0	-	420.2
TOTAL EQUITY AND LIABILITIES	2,371.3	0.5	2,426.1

Condensed Consolidated Statement of Changes in Equity

(Amounts in SEKm)	Jan-Mar		2024-12-31
	2025-03-31	2024-03-31	
Equity at start of period	338.3	0.5	0.5
Comprehensive income			
Net profit	2.1	-	0.7
Total comprehensive income	2.1	-	0.7
Transactions with owners			
Capital contribution	-	-	337.1
Total transactions with owners	-	-	337.1
Equity at end of period	340.3	0.5	338.3

Condensed Consolidated Statement of Cash Flows

(Amounts in SEKm)	Jan-Mar		Full year
	2025	2024	2024
Operating activities			
Operating profit	52.0	-	86.9
Adjustments for non-cash items in operating activities:			
<i>Depreciation & amortization</i>	32.2	-	30.5
<i>Other non-cash items</i>	-1.3	-	-7.1
Interest received	0.0	-	13.3
Interest paid	-39.0	-	-39.2
Income taxes paid	-5.5	-	-9.1
Cash flow from operating activities before changes in working capital	38.4	-	75.3
Changes in working capital			
Increase (-) / Decrease (+) in trade receivables	0.6	-	0.0
Increase (-) / Decrease (+) in other receivables	20.0	-	-5.9
Increase (+) / Decrease (-) in trade payables	29.4	-	5.9
Increase (+) / Decrease (-) in other liabilities	-67.0	-	39.4
Cash flow from operating activities	21.3	-	114.7
Investing activities			
Investments in capitalized technology	-22.3	-	-12.1
Investments in property, plant & equipment	0.0	-	-0.5
Investments in financial non-current assets	-0.2	-	-0.9
Participation in Group companies	0.0	-	-1,957.4
Cash flow from investing activities	-22.5	-	-1,970.8
Financing activities			
Liabilities to credit institutions	-78.6	-	78.6
Issued bond	0.0	-	1,700.0
Transaction costs related to issued bonds	0.0	-	-52.7
Amortization of lease liabilities	-0.8	-	-
Capital contribution	0.0	-	337.0
Cash flow from financing activities	-79.4	-	2,062.9
Cash flow for the period	-80.5	-	206.8
Cash and cash equivalents at the beginning of the period	207.3	-	-
Exchange rate diff. in cash and cash equivalents	2.5	-	0.5
Cash and cash equivalents at the end of the period	129.3	-	207.3

Summary of the Parent Company's income statement

(Amounts in SEKm)	Jan-Mar		Full year
	2025	2024	2024
Other income	0.8	-	0.8
Other external expenses	-1.4	-	-3.4
Operating result	-0.6	-	-2.6
Financial income	0.0	-	12.5
Financial expenses	-37.3	-	-86.9
Result before tax	-37.9	-	-76.9
Income tax	-	-	-
Net result for the year*	-37.9	-	-76.9

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

Summary of the Parent Company's balance sheet

(Amounts in SEKm)	2025-03-31	2024-03-31	2024-12-31
ASSETS			
Fixed assets			
Participation in Group companies	2,076.7	-	2,076.7
Total fixed assets	2,076.7	-	2,076.7
Current assets			
Other current receivables	0.6	0.5	3.8
Receivables from Group companies	0.8	-	0.8
Cash & cash equivalents	34.7	-	12.6
Total current assets	36.1	0.5	17.3
TOTAL ASSETS	2,112.8	0.5	2,093.9
EGET KAPITAL			
<i>Restricted equity</i>			
Share capital	0.5	0.5	0.5
<i>Unrestricted equity</i>			
Other paid-in capital	337.0	-	337.0
Retained earnings	-76.9	-	-
Net profit	-37.9	-	-76.9
Total equity	222.7	0.5	260.6
Non-current liabilities			
Issued bonds	1,657.2	-	1,653.9
Liabilities to group companies	198.4	-	60.3
Total non-current liabilities	1,855.6	-	1,714.2
Current liabilities			
Liabilities to credit institutions	0.0	-	78.6
Trade payables	1.0	-	0.8
Accrued expenses and deferred income	33.5	-	39.8
Total current liabilities	34.6	-	119.2
TOTAL EQUITY AND LIABILITIES	2,112.8	0.5	2,093.9



Notes to the financial reports

Note 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).

Note 2 – Key accounting principles

Basis for establishment

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

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

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

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

The 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.

The accounting policies and definitions are consistently applied with those described in the 2024 Annual Report with the following additions.

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 lease liability is initially valued at the present value of the lease payments not paid at the commencement date, discounted using the lessee's marginal borrowing interest rate as the lease's implied interest rate cannot be easily determined.

The marginal interest rate is defined as the interest rate that the lessee would have to pay for financing by loan for an equivalent period, and with the corresponding security, for the right to use an asset in a similar economic environment.

Lease fees included in the valuation of the lease liability include:

- fixed fees (including fixed fees in substance), less any benefits associated with the signing of leases;
- variable lease payments that depend on an index or price, initially valued using the index or price in force at the commencement date;
- penalties payable upon termination of the lease agreement, if the lease period reflects that the lessee will exercise an opportunity to terminate the lease.

The lease liabilities are reported as a separate item in the Group's financial position report.

After the commencement date, the lease liability is valued by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest rate method), and by decreasing the carrying amount to reflect lease payments paid.

The Group revalues the lease liability (and makes a corresponding adjustment to the right of use) if either:

- The lease term changes or if the assessment of an option to purchase the underlying asset changes, in which case the lease liability is revalued by discounting the changed lease payments using a changed discount rate.
- Lease payments change as a result of changes in an index or price or if there is a change in the amounts expected to be paid under a residual value guarantee, in which case the lease liability is revalued by discounting the changed lease payments using the initial discount rate (unless the lease payments change due to a change in the variable interest rate; in which case a modified discount rate is used).
- A change to the lease that is not recognized as a separate lease, in which case the lease liability is revalued by discounting the changed lease payments by a changed discount rate.

The Group has not made any such adjustments during the periods presented.

Rights of use include the sum of the initial valuation of the corresponding lease liability, lease payments paid on or before the commencement date and any initial direct expenses. They are then valued at cost after deduction of accumulated depreciation and amortisation.

Rights of use are amortized during the shorter of the lease term and the useful life of the underlying asset. Depreciation begins on the lease commencement date.

The rights of use are reported as a separate item in the Group's financial statement statement.

The Group applies IAS 36 to determine whether there is a need for impairment of the right of use and recognizes any identified impairment as described in the principle for "Impairment of tangible and intangible assets excluding goodwill", see the Annual Report for 2024.

Variable lease payments that are not based on an index or price are not included in the valuation of the lease liability or right of use. These attributable payments are recognized as an expense in the period in which the event or circumstance giving rise to these payments occurs and are included in "Other external costs" in the profit or loss.

As a practical solution, IFRS 16 allows for not separating non-lease components from lease components, and instead accounting for each lease component and all associated non-lease components as a single lease component. The Group has chosen to use this practical solution.

Note 3 – Key sources of estimation uncertainty

Intangible assets and goodwill

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

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

Note 4 – Breakdown of revenue from contracts with customers

(Amounts i SEKm)	Jan-Mar		Full year
	2025	2024	2024
Nordics	271.2	-	334.4
Rest of World	31.7	-	43.7
Total	302.9	-	378.0

Note 5 – Business combinations

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

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

Item	SEKm
Technology	143.1
Merchant relationships	1,210.6
Non-current financial assets	555.8
Other current receivables	7.3
Cash & cash equivalents	107.6
Financial liabilities	-104.7
Other operating liabilities	-599.5
Total identifiable net assets	1,320.2
Goodwill	744.8
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 of a fair value of SEK 23.5 million and gross agreed receivables of SEK 23.8 million. The best estimate at the time of acquisition for the agreed cash flows that are not expected to be collected is SEK 0.3 million.

Goodwill of SEK 744.8 million arising from the acquisition consists primarily of the value of the organization's existing expertise and capabilities and the opportunity to expand the business relationship with new and existing customers – primarily through future product development and offerings. Goodwill is expected to be tax deductible in an amount of SEK 647.6 million based on asset goodwill recognized in the acquired company.

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

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

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

Acquisition-related expenses (included in Other external expenses) amounted to SEK 11.7 million. Kustom AB contributed SEK 378.0 million in net sales and SEK 77.6 million to the Group's profit for the year 2024 between the acquisition date and the end of the reporting period.

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

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

Note 6 – Fair value financial instruments

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

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

Level 1: according to prices quoted on an active market for the same instrument

Level 2: based on directly or indirectly observable market data not included in Level 1

Level 3: based on inputs that are not observable in the market

The Group's contingent consideration liabilities are valued at fair value in accordance with level 3 on a continuing basis. Material unobservable data used in valuation constitutes 1) expected future revenues of Kustom AB and 2) expected transaction costs for the Stripe platform.

A sensitivity analysis has been carried out for both (1) and (2), and in all tested outcomes, the expected value of the contingent consideration is estimated to be 0. Other financial assets and financial liabilities are measured at amortised cost. For financial instruments that are not measured at fair value, the book value is considered to be a fair approximation of fair value. For the Group's liabilities to credit institutions and other financial liabilities, the carrying amount corresponds to its fair value because the interest rate on this borrowing is on par with current market interest rates or because the liabilities are short-term.

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

Note 7 — Related party transactions

The Group has received management services and other administrative services invoiced by related parties. The transactions have been conducted on market terms.

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



Financial calendar:

Half-year report January–June 2025	August, 29 2025
Interim report January – September 2025	November, 28 2025

For further information, please contact:

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

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

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

Stockholm, May 28, 2025

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The logo for Kustom, featuring the word "Kustom" in a bold, black, sans-serif font. The letter "K" is stylized with a white cross-like shape inside it.