

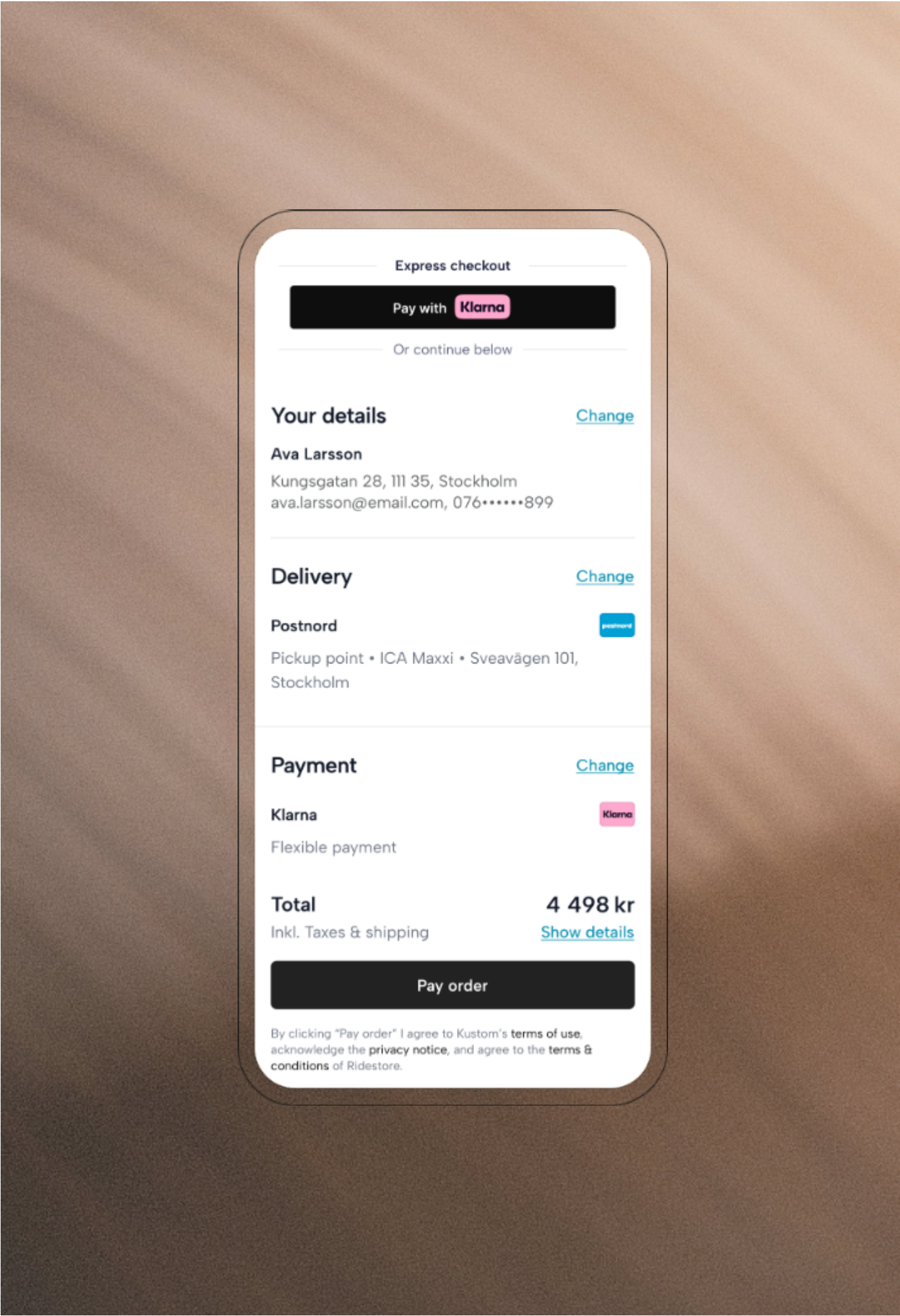
Half-year Report

1 January 2025 – 30 June 2025

+kustom

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Second quarter: April 1 – June 30

SEK 292.8m

Net income

SEK 43.1m

Operating profit

SEK –11.5m

Net profit

SEK –64.3m

Cash flow from
operating activities

Key events during the quarter

- During the quarter, Kustom published a prospectus approved by the Swedish Financial Supervisory Authority (Finansinspektionen) with the purpose of relisting its bond. A relisting from Nasdaq Stockholm Transfer Market to Stockholm Main Market is a condition tied to the bond agreement.
- New agreements were signed with several major and well-known brands such as CAIA Cosmetics, Milrab, and Haglöfs. Several existing merchants extended or expanded their agreements, including Haypp Group, Nortic, and Desenio.
- The migration to the company's new, updated platform was essentially completed during the quarter. This meant that processing of receivables from the company's merchants was moved from Klarna to Stripe. In order to minimize the impact of this on the company's customers, Kustom maintained a temporarily higher liquidity buffer with Stripe during the quarter.

Key Figures

(Amounts in SEKm unless otherwise stated)	Apr–Jun		Jan–Jun		Full year
	2025	2024	2025	2024	2024
Net income	292.8	–	595.7	–	378.0
Operating profit	43.1	–	95.1	–	86.9
Net profit	–11.5	–	–9.4	–	0.7
Cash flow from operating activities	–64.3	–	–42.9	–	114.7
Equity ratio	13.5%	–	13.5%	–	13.9%

CEO commentary

The second quarter was marked by one of our largest deliveries to date. The migration to our upgraded platform is essentially complete. Simultaneously, we have welcomed several well-known brands, already seen positive effects in the form of higher conversion rates, and continued to develop the product in close collaboration with our merchants.

Total sales volume in line with the market, costs and margins as expected

Kustom's diversified merchant portfolio means transaction volumes are not exposed to industry-specific trends, but they do reflect broader market movements. During the second quarter, households have remained cautious about increasing their consumption.

The operating margin is in line with expectations. With the migration to our new platform essentially finalized, operations in the second quarter were already run on our own technical infrastructure. This means that the cost per transaction is now at a stable long-term level, with sustained profitability.

Other operating costs are also developing according to plan, and our current cost base allows room for continued merchant growth and further enhancements of our offering.

Kustom's merchants on the new platform

More than 20,000 merchants have now migrated to the new, upgraded platform. A small number of merchants have, in agreement with them, a later timeline for the transition. This means that almost all merchants and nearly the entire transaction volume are now operating through our own infrastructure.

We are also pleased to have been able to offer new products and features to our merchants, including additional payment methods and currencies. With the new platform in place, we look forward to accelerating product development even further.

New platform, higher conversion

With nearly all merchants now using our new platform, we have been able to analyze the effects on conversion. The results show an increase in conversion rates of 60 basis points, driven by an improved checkout experience. This is clear proof that our improved product is already delivering commercially positive results for our merchants.

Several new, larger customers

During the second quarter, our commercial team has been highly focused on supporting merchants in the transition to our new platform. Despite this, around 400 new merchants have started using Kustom. We have also signed new agreements with several larger and well-known brands such as CAIA Cosmetics, Milrab and Haglöfs. That leading players in their respective segments choose Kustom confirms the strength of our new global offering and our ability to support merchants in continued international expansion. In addition, several existing merchants have extended or expanded their contracts with us, including Haypp Group, Nortic, and Desenio.

Merchants first

Finally, during the quarter we launched our first consumer report, "How shoppers want to check out and pay", where together with Ipsos we examined Nordic consumer behavior: what shoppers value and their biggest frustrations at checkout. This is part of our strategy to be a unifying force for commerce, sharing insights and providing our merchants with more than just the checkout itself. The results show that transparency and trust are critical: high shipping costs and unexpected fees are the most common reasons for abandoning a purchase or avoiding a store in the future. Shoppers value a checkout that is fast, transparent and offers flexible payment options – fully in line with our offering that combines high conversion with responsible payment methods that build long-term loyalty.

We have also worked closely with one of our merchants, Haypp Group, in developing a new, internationally adapted age verification solution at checkout. This is a concrete example of how our product development is carried out in close dialogue with our merchants and tailored to their needs.

"With nearly all merchants now using our new platform, the results show an increase in conversion rates of 60 basis points. This is clear proof that our improved product is already delivering commercially positive results for our merchants."



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.

As an independent company, Kustom has built a strong team by recruiting key members with deep expertise and a long-standing track record 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 has strengthened its offering with new payment methods, enhanced customer support, and a new technical platform that secures the foundation for long-term growth. With these core building blocks in place, Kustom continues to expand geographically while maintaining a strong local focus, particularly in the Nordics.

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

Partner interview

Massud Sarwari, Head of Professional Services EMEA, Stripe

1. Kustom's enhanced platform is built on Stripe's infrastructure. Beyond reliability, performance and scalability, what new types of merchant-first value does this unlock, and why does it matter?

It really comes down to flexibility and giving merchants more freedom through greater control. Together, we've built a modern foundation that lets them launch quickly, test new ideas, adapt to changing conditions, and expand across markets, with access to over 100 global payment methods and 135+ currencies. A great example of this agility is how quickly we launched a Terminal pilot for Kustom's Mobile Point of Sale app. This innovative solution turns phones into powerful sales tools, allowing merchants to accept tap-to-pay transactions and seamlessly connect online and in-person sales. From our side, it's exciting to see Kustom use our infrastructure to deliver a checkout experience that's both powerful and deeply customizable. Merchants also benefit from Stripe's built-in fraud detection, avoiding the need for separate, complex solutions. This helps minimize fraud and compliance issues, reduce costs, protect reputation, and free up resources for growth.

2. In a landscape of all-in-one platforms, Kustom has chosen a modular, partner-first approach. How does Stripe's infrastructure support that strategy, particularly when it comes to enabling diverse payment methods and openness across providers and markets?

Kustom's approach is naturally aligned with how we think at Stripe. Both platforms are built around modularity, enabling merchants to choose the components that best fit their needs while integrating seamlessly with third-party tools they already use. What sets Kustom apart is how they've made openness a core product principle. Not just supporting multiple payment methods, but actively enabling choice across the board. A prime example of this is our collaborative effort to bring popular European payment methods to tens of thousands of merchants. Together, we've successfully integrated iDeal, Klarna, Billie, MobilePay, and Vipps into the Kustom platform. This wide array of payment options allows merchants to cater to local preferences across different European markets, significantly enhancing their reach and conversion rates. Our role is to power that infrastructure behind the scenes, so merchants can stay focused on growth, not technical overhead.



3. Checkout experiences are becoming a growth lever, not just a transaction point. What market trends or merchant demands do you believe will shape the future of checkout in Europe?

Merchants are seeking checkout solutions that adapt to the diverse preferences of European consumers, prioritizing speed and simplicity without compromising robust security and compliance. As a result, checkout has become more than just a transactional process; it is now a strategic tool for acquiring and retaining customers. We're seeing significant growth uplift through optimized checkout solutions. Stripe's customers implementing these advanced solutions have experienced remarkable results, with an average 11.9% increase in revenue. This substantial improvement in conversion rates and average order values underscores the critical role of an efficient, user-friendly checkout process. As consumer expectations continue to evolve towards more tailored and intelligent interactions, Kustom's adaptable platform enables merchants to leverage these advanced optimizations and stay ahead in the rapidly changing e-commerce landscape. Looking to the future, emerging concepts like agentic commerce highlight the potential for even more personalized, AI-driven experiences. Kustom's flexible approach positions merchants well to integrate such innovations as they become relevant and available, ensuring they remain competitive in this dynamic market.

4. The migration to Kustom's Stripe-powered platform has been a key focus. What do you take away from the process, and what made the collaboration effective?

What really stood out was the remarkable alignment in our mindsets, values, and operating principles. We immediately realized that Stripe's operating principles matched perfectly with Kustom's values and beliefs in how they approach their business. This shared ethos created a foundation of trust and understanding that propelled our collaboration forward.

The alignment extended to our teams as well. Both sides were committed to winning as one team, which fostered a collaborative spirit that was crucial in breaking records. The shared goal of making this platform migration the fastest in Stripe's history united our efforts and drove us to achieve exceptional results.

This experience underscores the importance of not just technical compatibility, but also cultural and operational alignment in successful partnerships. It's a testament to what can be achieved when two organizations come together with shared values, clear objectives, and a commitment to excellence.

5. What does it take to build a sustainable, win-win partnership, and how are you working to fuel long-term growth on both sides?

For us, it starts with trust, openness, and a shared ambition to build something that lasts. The alignment that made the migration such a success wasn't just technical; it was deeply rooted in our shared values and working philosophy. That foundation is also what powers successful partnerships over time. You need partners who challenge you, move with urgency, and genuinely want to make things better. One of Stripe's core operating principles is "move with urgency and focus," which perfectly matches Kustom's approach. Throughout our collaboration, Kustom has demonstrated an unwavering focus on delivering value to merchants, always prioritizing the most impactful initiatives. This shared commitment to swift, purposeful, and focused action has been a key driver in our partnership's success. When that level of trust is in place, teams operate as one, making decisions quickly and adapting to challenges efficiently while staying laser-focused on what matters most. It creates momentum, strengthens resilience, and ultimately drives long-term growth – for both companies and the merchants we serve.

Financial performance in the second quarter

1 April – 30 June 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 income for the quarter amounted to SEK 292.8 million, which is SEK 10.1 million lower than the previous quarter. During the quarter, households have continued to be cautious with their consumption. Most of the major merchants who signed agreements with Kustom during the period — such as CAIA Cosmetics, Haypp Group, among others — had no impact on the results for the quarter. These are planned to start transacting and generating revenue in upcoming periods.

Operating profit

Operating profit for the quarter amounted to SEK 43.1 million.

Net profit

Net profit for the period amounted to SEK -11.5 million.

Liquidity and cash flow

Cash flow from operating activities amounted to SEK -64.3 million.

Cash flow from investing activities amounted to SEK -24.4 million.

Cash flow from financing activities amounted to SEK 47.1 million.

Cash flow for the quarter amounted to SEK -41.6 million.

At the end of the period, the Group's cash and cash equivalents amounted to SEK 84.8 million.

The operating cash flow for the second quarter was in line with the company's expectations. The underlying business generated SEK 49.6 million in positive cash flow before changes in working capital. In addition, during the quarter, the company migrated merchants to its new platform, which meant that processing of receivables from the company's merchants was moved from Klarna to Stripe. In order to minimize the impact of this on the company's customers, Kustom maintained a temporarily higher liquidity buffer with Stripe during the quarter. This was financed by already accumulated liquid assets as well as parts of the credit facility entered into in the current quarter. The liquidity buffer will be stabilized and optimized in the coming quarters.

Financial position

The equity/assets ratio amounted to 13.5 percent as of June 30, 2025 and equity amounted to SEK 328.8 million. Total assets amounted to SEK 2,443.2 million.

Financial performance in the first half-year

1 January– 30 June 2025

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

Net income

Net sales for the half-year amounted to SEK 595.7 million. This is in line with expectations and reflects seasonal variations in the company's business, which follows a pattern typical for retail where the second half of the year is usually the strongest due to Christmas shopping, Black Friday, and similar campaign periods.

Operating profit

Operating profit for the half-year period amounted to SEK 95.1 million.

Tax

The Group's effective tax rate for the half-year was 147.3 percent.

Net profit

Net profit for the period amounted to SEK –9.4 million.

Liquidity and cash flow

Cash flow from operating activities amounted to SEK –42.9 million.

Cash flow from investing activities amounted to SEK –46.9 million.

Cash flow from financing activities amounted to SEK –32.3 million.

Cash flow for the half-year period amounted to SEK –122.1 million.

At the end of the period, the Group's cash and cash equivalents amounted to SEK 84.8 million.

The operating cash flow for the period was impacted by payments of accrued expenses that arose during the fourth quarter of the previous year. This was due to a major supplier previously not being in sync with their invoicing. Furthermore, the cash flow was affected by the company's migration to a new platform, as previously mentioned in this report.

During the period, the company repaid its short-term credit facility that was taken up in connection with the acquisition of Kustom AB, while at the same time utilizing the new facility that was arranged during the period. The net effect of this amounted to –SEK 27.4 million.

Financial position

The equity/assets ratio amounted to 13.5 percent as of June 30, 2025 and equity amounted to SEK 328.8 million. Total assets amounted to SEK 2,443.2 million.

Key events after the reporting period

On July 3, Kustom's bond was listed for trading on the Nasdaq Stockholm Corporate Bond Main Market.

Employees

The total workforce of the Group as of June 30, 2025 amounted to 101 people, of which 85 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 June 2025 of SEK 1.6 million.

Other external expenses amounted to SEK 3.5 million for the period January to June 2025.

The parent company's result before tax for the period January to June 2025 amounted to SEK -79.0 million.

The parent company's cash and cash equivalents amounted to SEK 0.1 million on June 30, 2025.

Related party transactions are presented in Note 7.

Financial reports

Condensed Consolidated Statement of Profit or Loss

(Amounts in SEKm)	Apr–Jun		Jan–Jun		Full year
	2025	2024	2025	2024	2024
Net income	292.8	–	595.7	–	378.0
Work performed by entity and capitalized	16.2	–	28.5	–	12.1
Other income	0.1	–	0.1	–	0.2
Transaction and commission expenses	–171.6	–	–344.1	–	–209.6
Employee benefits	–35.8	–	–63.5	–	–18.7
Other external expenses	–26.4	–	–57.3	–	–44.6
Depreciation, Amortization and Impairment	–32.2	–	–64.4	–	–30.5
Operating profit	43.1	–	95.1	–	86.9
Finance income	0.1	–	1.9	–	13.9
Finance cost	–40.3	–	–77.0	–	–86.4
Profit before tax	2.8	–	19.9	–	14.3
Income tax expense	–14.4	–	–29.4	–	–13.7
Net profit*	–11.5	–	–9.4	–	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)	2025-06-30	2024-06-30	2024-12-31
ASSETS			
Non-current assets			
Goodwill	744.8	–	744.9
Merchant relationships	1,140.7	–	1,187.3
Technology	180.1	–	148.0
Property, plant and equipment	0.7	–	0.4
Right-of-use assets	18.7	–	–
Deferred tax assets	0.1	–	–
Non-current receivables group companies	3.0	–	–
Other long-term receivables	1.1	–	0.9
Total non-current assets	2,089.1	–	2,081.6
Current assets			
Trade receivables	60.3	–	61.6
Current tax receivables	15.9	–	9.1
Other current receivables	120.6	0.5	45.9
Current receivables group companies	0.5	–	0.5
Prepayments and other accrued income	71.9	–	20.2
Cash and cash equivalents	84.8	–	207.3
Total current assets	354.1	0.5	344.6
TOTAL ASSETS	2,443.2	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	–8.7	–	0.7
Total equity attributable to owners of the parent company	328.8	0.5	338.3
Non-current liabilities			
Deferred tax liability	43.0	–	13.7
Long-term interest-bearing lease liabilities	9.1	–	–
Issued bonds	1,660.5	–	1,653.9
Total non-current liabilities	1,712.6	–	1,667.6
Current liabilities			
Liabilities to credit institutions	51.2	–	78.6
Current lease liabilities, interest-bearing	11.2	–	–
Trade payables	33.5	–	5.9
Other short-term liabilities	146.6	–	82.8
Provisions	22.2	–	18.3
Accrued expenses and deferred income	137.0	–	234.6
Total current liabilities	401.8	–	420.2
TOTAL EQUITY AND LIABILITIES	2,443.2	0.5	2,426.1

Condensed Consolidated Statement of Changes in Equity

(Amounts in SEKm)	Jan-Jun		2024-12-31
	2025-06-30	2024-06-30	
Equity at start of period	338.3	0.5	0.5
Comprehensive income			
Net profit	-9.4	-	0.7
Total comprehensive income	-9.4	-	0.7
Transactions with owners			
Capital contribution	-	-	337.1
Total transactions with owners	-	-	337.1
Equity at end of period	328.8	0.5	338.3

Condensed Consolidated Statement of Cash Flows

(Amounts i SEKm)	Apr-Jun		Jan-Jun		Full year 2024
	2025	2024	2025	2024	
Operating activities					
Operating profit	43.1	-	95.1	-	86.9
Adjustments for non-cash items in operating activities:					
<i>Depreciation & amortization</i>	32.2	-	64.4	-	30.5
<i>Other non-cash items</i>	9.2	-	7.9	-	-7.1
Interest received	0.0	-	0.0	-	13.3
Interest paid	-33.5	-	-72.5	-	-39.2
Income taxes paid	-1.4	-	-6.9	-	-9.1
Cash flow from operating activities before changes in working capital	49.6	-	88.0	-	75.3
Changes in working capital					
Increase (-) / Decrease (+) in trade receivables	-19.1	-	-18.5	-	0.0
Increase (-) / Decrease (+) in other receivables	-84.6	-	-64.6	-	-5.9
Increase (+) / Decrease (-) in trade payables	-1.8	-	27.6	-	5.9
Increase (+) / Decrease (-) in other liabilities	-8.4	-	-75.4	-	39.4
Cash flow from operating activities	-64.3	-	-42.9	-	114.7
Investing activities					
Investments in capitalized technology	-24.0	-	-46.3	-	-12.1
Investments in property, plant & equipment	-0.3	-	-0.3	-	-0.5
Investments in financial non-current assets	0.0	-	-0.2	-	-0.9
Participation in Group companies	0.0	-	0.0	-	-1,957.4
Cash flow from investing activities	-24.4	-	-46.9	-	-1,970.8
Financing activities					
Liabilities to credit institutions	51.2	-	-27.4	-	78.6
Issued bond	0.0	-	0.0	-	1,700.0
Issued loans to group companies	-3.0	-	0.0	-	-
Transaction costs related to issued bonds	0.0	-	0.0	-	-52.7
Amortization of lease liabilities	-1.2	-	-2.0	-	-
Capital contribution	0.0	-	0.0	-	337.0
Cash flow from financing activities	47.1	-	-29.3	-	2,062.9
Cash flow for the period	-41.6	-	-122.1	-	206.8
Cash and cash equivalents at the beginning of the period	129.3	-	207.3	-	-
Exchange rate diff. in cash and cash equivalents	-2.9	-	-0.4	-	0.5
Cash and cash equivalents at the end of the period	84.8	-	84.8	-	207.3

Summary of the Parent Company's income statement

(Amounts in SEKm)	Apr–Jun		Jan–Jun		Helår
	2025	2024	2025	2024	2024
Other income	0.8	–	1.6	–	0.8
Other external expenses	–2.1	–	–3.5	–	–3.4
Operating result	–1.3	–	–1.9	–	–2.6
Financial income	0.2	–	0.2	–	12.5
Financial expenses	–40.0	–	–77.3	–	–86.9
Result before tax	–41.1	–	–79.0	–	–76.9
Income tax expense	–	–	–	–	–
Net result for the period*	–41.1	–	–79.0	–	–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)	2025-06-30	2024-06-30	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	0.7	0.5	3.8
Receivables from Group companies	51.0	–	0.8
Cash & cash equivalents	0.1	–	12.6
Total current assets	51.8	0.5	17.3
TOTAL ASSETS	2,128.5	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	–79.0	–	–76.9
Total equity	181.6	0.5	260.6
Non-current liabilities			
Issued bonds	1,660.5	–	1,653.9
Liabilities to group companies	201.2	–	60.3
Total non-current liabilities	1,861.7	–	1,714.2
Current liabilities			
Liabilities to credit institutions	51.2	–	78.6
Trade payables	0.3	–	0.8
Accrued expenses and deferred income	33.8	–	39.8
Total current liabilities	85.3	–	119.2
TOTAL EQUITY AND LIABILITIES	2,128.5	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 and calculation methods are consistent with those applied 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)	Apr–Jun		Jan–Jun		Full year
	2025	2024	2025	2024	2024
Nordics	271.5	–	542.7	–	334.4
Rest of World	21.3	–	53.0	–	43.7
Total	292.8	–	595.7	–	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.

During the period, the recognition for the acquisition of Kustom AB has been finalised. No adjustment to the purchase price has been made.

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

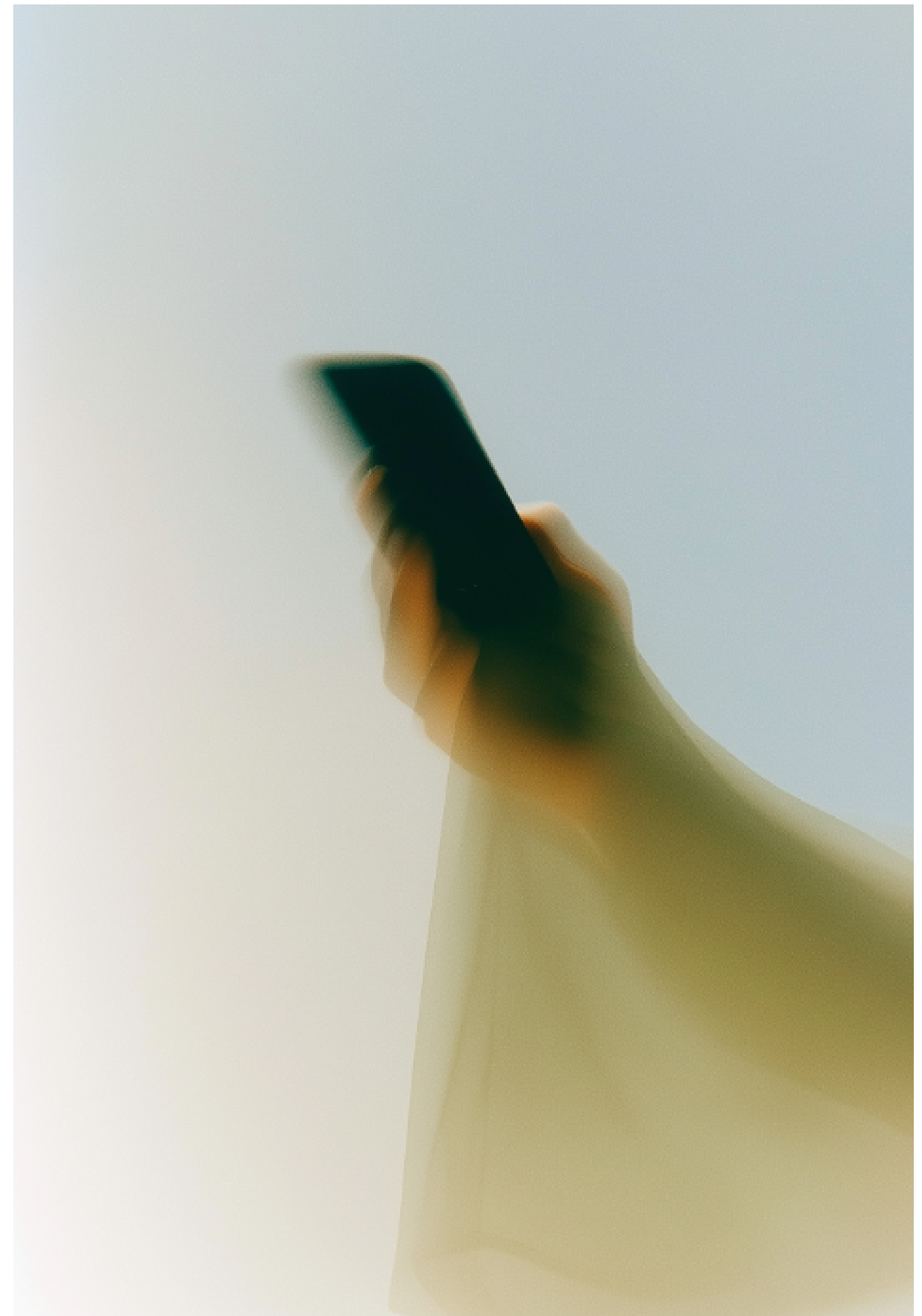
The Group's contingent consideration liabilities are valued at fair value in accordance with level 3 on a continuing basis. Material unobservable data used in valuation constitutes 1) expected future revenues of Kustom AB and 2) expected transaction costs for the Stripe platform. A sensitivity analysis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

Interim report January – September 2025	November, 27 2025
Interim report October – December 2025	February, 26 2026

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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 August 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, Aug 28, 2025

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