



Klarna 2020 Annual Report Published

March 30, 2021 - Today, Klarna Bank AB (publ) ("Klarna") publishes its Annual Report and Financial Statements for January – December 2020.

Klarna's 2020 financial results again provide further proof that consumers are demanding a better, more intuitive and transparent way to shop, pay and bank, saving them time, money and worry. A strong performance in the US and entry into four new markets increased Klarna's Gross Merchandise Volume to a record US\$53bn, with 87 million active consumers across the globe choosing Klarna both online and in-store.

In its most recent equity funding round, Klarna raised US\$1 billion, 1% of which Klarna has pledged to a newly created initiative that focuses on key sustainability challenges around the world. The initiative will be formally launched April 22 on World Earth Day.

The full year financial results were made public with the Klarna Q1-Q4 financial statement release, published on February 24th 2021. The annual reports of Klarna Bank AB (publ) and Klarna Holding AB are available in English and Swedish at www.klarna.com.

Full year January to December 2020

Record gross merchandise volume with total net operating income breaking US\$1 billion

- Record Gross Merchandise Volume was achieved across the Klarna platform, up 46% to US\$53bn / SEK 484bn (2019: US\$35bn/SEK 332bn)¹ as Klarna continues to connect retailers with consumers for a superior shopping experience
- 40% increase in Total Net Operating Income to US\$1.087bn / SEK 10bn (2019: US\$753m / SEK 7.155bn), breaking the US\$1 billion threshold for the first time.
- Strong capital position with CET1 Ratio at 29.5% (2019: 28.1%)

¹ Klarna's results are reported in SEK. To arrive at USD values, the average exchange rates for 2019 and 2020 have been used. 1USD equals approximately 9.5SEK for full year 2019 and 9.2 SEK for full year 2020.

- Credit losses as a percentage of gross merchandise volume have fallen across all major markets as consumers adopt the benefits of pay later, and our risk models continue to mature.
- Klarna is well positioned to capture global growth in the retail market and continues to invest significantly in new market entries and expanded product offerings on that basis. Net profit was lower in line with expectations as operating expenses increased to deliver ambitious expansion by building significant scale in the US and other major markets, and launching our pay later offering in four new markets: Australia, Belgium, Spain and Italy. Four further market launches are planned for 2021.
- Klarna continues to innovate across shopping, payments and banking with products that make consumers' lives easier, including savings accounts in Sweden, current accounts in Germany and Klarna's Vibe loyalty program in the US and Australia.
- Since the period ended, Klarna has secured US\$1 billion in an equity funding round to accelerate international expansion and further capture global retail growth. The 4x oversubscribed round included a combination of new and existing investors and closed at a post-money valuation of US\$31 billion, making Klarna the highest-valued private fintech in Europe and the second² highest worldwide.
- Klarna is also proud to announce the company will pledge 1% of the capital raised to a newly created initiative that focuses on key sustainability challenges around the world. The initiative will be formally launched April 22 on World Earth Day.

The full reports are available [here](#)

For additional information, please contact:

Aoife Houlihan, VP of Communications

Phone: +46 (0) 72855 8047

Email: aoife.houlihan@klarna.com / press@klarna.com

About Klarna

We make shopping smooth. With Klarna, consumers can buy now and pay later, so they can get what they need today. Klarna's offering to consumers and retailers includes payments, social shopping and personal finances. Over 250,000 retail partners including Macys, H&M, IKEA, Expedia Group, Samsung, ASOS, Peloton, Abercrombie & Fitch, Nike and AliExpress,

² <https://www.cbinsights.com/research-unicorn-companies>

have enabled Klarna's innovative shopping experience online and in-store. Klarna is ranked number five on the 2020 CNBC Disruptor 50 list, and is one of the most highly valued private fintechs globally with a valuation of US\$31 billion. Klarna was founded in 2005, has over 3,500 employees and is active in over 17 countries. Klarna has been backed by Sequoia Capital since 2010 and more recently, Dragoneer, Bestseller Group, Permira, Visa, Atomico, Ant Group, Commonwealth Bank of Australia, Silver Lake, HMI Capital, TCV, Northzone, GIC - Singapore's sovereign wealth fund - and funds and accounts managed by BlackRock amongst others. For more information, visit klarna.com.

This information is information that Klarna Bank AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on March 30, 2021.