

Klarna publishes financial update for January - September 2020

November 26, 2020 – Today, Klarna Bank AB (publ) (“Klarna”) publishes its financial update for January 1 - September 30, 2020. The uniqueness of Klarna’s consumer offering, providing a healthier, simpler and smarter alternative to credit cards, continues to drive consumer adoption and loyalty to us and our retailers globally. This is further boosted by our strong brand as well as our multiple services to smoothen the shopping experience - online and in store. The full report is available at www.klarna.com.

Selected highlights from the period:

- Continued strong momentum during the period and into Q4. Consumers across markets are looking for a better, smarter, and more flexible way to shop and pay, reflected in **43% growth of gross merchandise volume to USD 35bn¹**. All time high in monthly volume globally in September.
- **Net credit losses decreased for the second consecutive quarter and was 28% lower** compared to Q3 2019. The improved credit behavior is especially driven by the US market and results from consistent focus to strengthen the credit portfolio.
- Total net operating income growth of **37% to USD 742m**.
- **160% YoY growth in global app downloads** and 13 million monthly active app users by end of period. In October alone, one million new monthly active users joined, reaching **14 million** in total.
- **57,000 new retail partners** including Macy’s, Etsy, Sephora, Ralph Lauren, Club Monaco, The North Face, Finish Line, Saks OFF 5TH and Express.
- **US market:** 1.7 million monthly active app users by the end of September, swelling to **2 million** by end of October. New **all time high in monthly app shopping volume** in September in the US.
 - 10 million total consumers by period end, and **11 million** by the end of October.
 - App was **64% of all pay later app downloads** in the US during September, dominating the charts and the **#1 shopping app** in the US App Store.
 - Rapid growth in app downloads continues, in November averaging **50,000 new daily downloads, three times more than nearest direct competitors**.
 - Loyalty program Vibe reached **500,000 members** in November.
- **21 million new consumers** globally.

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About Klarna

We make shopping smooth. With Klarna consumers can buy now and pay later, so they can get what they needlove today. Klarna’s offering to consumers and retailers include payments, social shopping, and personal finances. Over 200,000 retail partners, including H&M, IKEA, Expedia Group, Samsung, ASOS,

¹ Klarna’s results are reported in SEK. To arrive at USD values, the average exchange rates YTD have been used; 1 USD equals approximately 9.4 SEK for Jan-Sep 2020.

Peloton, Abercrombie & Fitch, Nike and AliExpress have enabled Klarna's innovative shopping experience online and in-store. Klarna is the most highly valued private fintech in Europe with a valuation of \$10.65 billion, and is one of the largest private fintechs globally. Klarna was founded in 2005, has over 3,500 employees and is active in 17 countries. Klarna has been backed by Sequoia Capital since 2010 and more recently, Silver Lake, Dragoneer, Bestseller Group, Permira, Visa, Atomico, Ant Group, HMI Capital, TCV, Commonwealth Bank of Australia, Merian Chrysalis Investment Company Limited, Blackrock Holdings 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 November 26, 2020.