Third Quarter 2026 Results



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1,350k
Merchants
↑ **59%** Q3'26 YoY

122m
Active Klarna consumers
↑**7%** Q3'26 YoY

$36.1b
GMV
↑**10%** Q3'26 YoY
(↑**11%** LfL)

$1,009m
Total revenue
↑**12%** Q3'26 YoY
(↑**12%** LfL)

$371m
Transaction margin dollars
↑**32%** Q3'26 YoY
(↑**33%** LfL)

$21m
Adjusted operating income
↑**$35m** Q3'26 YoY

$(53)m
Operating loss
↑**$30m** Q3'26 YoY

$(65)m
Net loss
↑**$30m** Q3'26 YoY

Note: Transaction margin dollars, Adjusted operating income and like-for-like growth are non-IFRS measures. See "Non-IFRS measures and reconciliations" for more information.

Key highlights

Klarna delivered its fourth consecutive quarter of revenue above $1 billion and positive adjusted operating income. Transaction margin dollars grew 32%, and GMV rose 10% to $36.1 billion, led by 24% growth in the U.S. Fair Financing, our highest-earning product per dollar of volume, was also our fastest growing, up 61%. Adjusted operating income increased by $35 million year-over-year to $21 million. We now serve 122 million active consumers and 1.35 million merchants, the latter up 59%.

Our strategy follows our business areas. Consumers typically discover Klarna through buy now, pay later in lifestyle spend, and from there we extend into everyday and big-ticket purchases with customers we have already underwritten. Underpinning all three, we also earn from consumer services and advertising: our shopping browser, agentic commerce and subscriptions. It generated $588 million of revenue in 2025 and has grown 30% so far this year.

Over the past two years, Fair Financing has been our priority in the U.S. Volume reached $12.5 billion over the last 12 months, up 140% from $5.2 billion, supported by partners such as Walmart, through OnePay, Airbnb, and eBay. In Europe, our leadership in Pay Later and the strength of our brand give us a strong platform for Fair Financing, which reached $6.0 billion across our global ex-U.S. markets over the last 12 months, up 50%. Over a loan's life, we target a transaction margin of 3% to 4% of volume on Fair Financing, more than three times what Pay Later earns per dollar of volume.

The Klarna Card continued to scale, with third-quarter volume more than doubling to $4.5 billion. Subscriptions are becoming a meaningful source of high-value, recurring revenue: subscription revenue rose more than 500% to $43 million in the quarter. That is $178 million of annual recurring high margin revenue at September's run rate. Card users shop with Klarna about three times as often, and the card is now used by 6% of our active consumers, rising to 11% in the U.S.

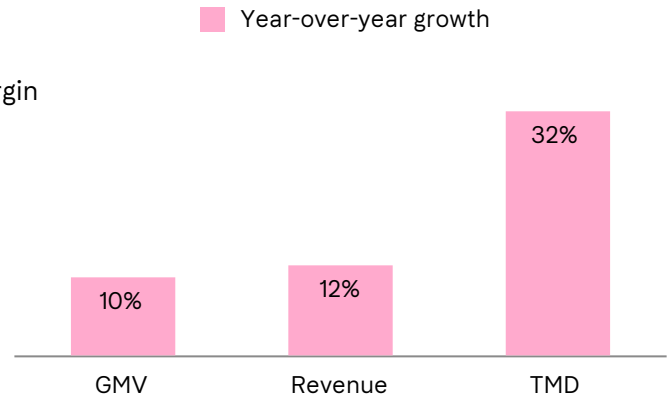
During the quarter, we signed Fiserv, one of the largest U.S. payment processors, to offer Klarna to its merchants. Southwest Airlines and J.Crew launched Klarna in the U.S., and with Marks & Spencer now live, Klarna is available at every major UK department store. We also went live with Lands' End, a classic American lifestyle brand, and CarParts.com, a leading U.S. online auto parts retailer. The Apple Upgrade program, launched in July, is gaining good traction as we approach our first holiday season together.

Our shopping browser helps consumers discover products, compare and track prices, earn cashback and pay with Klarna. It has driven more than $34 billion of GMV since its launch in 2020. We are now building AI into this experience with our AI assistant, live with a small group of early users, with pre-registration open, on WhatsApp, iMessage and in the Klarna app.

Heading into 2027, we see three key opportunities: scaling Fair Financing in the U.S. and expanding it across Europe, growing the Klarna Card beyond our merchant network, and AI to accelerate growth and productivity.

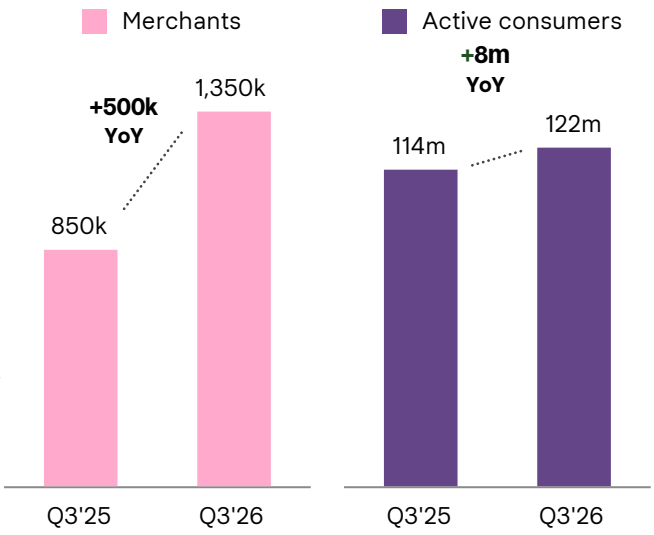
Financial highlights

Klarna delivered a robust third quarter performance. Gross merchandise volume (GMV) grew 10% (11% like-for-like), revenue grew 12% and transaction margin dollars grew 32%, alongside continued improvement in credit. Klarna optimizes for TMD, which is what we retain from each transaction in the business. We are earning more from each dollar of volume as our business scales and products like Fair Financing mature.



Spend-centric model

Klarna's model leverages a compounding construct that scales efficiently. As more merchants offer Klarna as a default option at checkout, we have more consumer surfaces. This, combined with our strong brand and consumer trust, drives initial engagement. Our consumers then adopt more of our products, which is happening at a faster rate. The Klarna Card, membership, savings and Fair Financing are all deepening engagement at a rapid pace. This adoption drives greater checkout performance for merchants, more repeat purchases, and bigger basket sizes. This flywheel lowers our costs, grows our understanding of each consumer , and helps us to grow efficiently.



We now partner with roughly 1.3 million merchants, up 59% YoY. Active consumers reached 122 million in Q3, up 8 million YoY.

Engagement across our growing consumer base continues to deepen. Average revenue per active consumer (ARPAC) increased 21% YoY reaching $34, as more consumers adopt Klarna Card and Fair Financing. We tripled paying Klarna card subscribers to 2.6 million, with subscription revenue growing over 500%. This is recurring revenue earned on membership rather than on individual transactions, making it less volume-dependent than payments revenue while directly growing TMD.

GMV Growth in Q3 2026
Total GMV was $36.1 billion, up 10% YoY, and 11% on a like-for-like basis.

In the U.S., GMV increased 24% to $8.2 billion, driven by continued growth in Fair Financing as more merchants and PSPs continued with default-on integrations. The U.S. share of GMV rose 3 percentage points year-over-year to 23%. Global ex-U.S. GMV reached $27.8 billion, up 7%, or 8% on a like-for-like basis. We saw strong growth in Spain, Portugal, and Greece, with Fair Financing launches seeing strong consumer take-up.

Consumers are using Klarna for more of their everyday purchases as well as larger-ticket items. Events & Services reached 14% of GMV, up from 9% a year ago, and Home & Electronics increased to 22%, from 21%. Apparel & Accessories fell to 32%, from 36%, as the network continues to diversify.



By product, Fair Financing grew 61% YoY to $5.2 billion and is now 15% of GMV (43% of U.S. GMV and 6% of Ex-US GMV), with continued merchant and market rollout. Pay Later, our charge-card equivalent, grew 6% and accounts for roughly three quarters of total GMV. Pay in Full, our everyday spending product, contributed $3.5 billion, representing 10% of the mix.

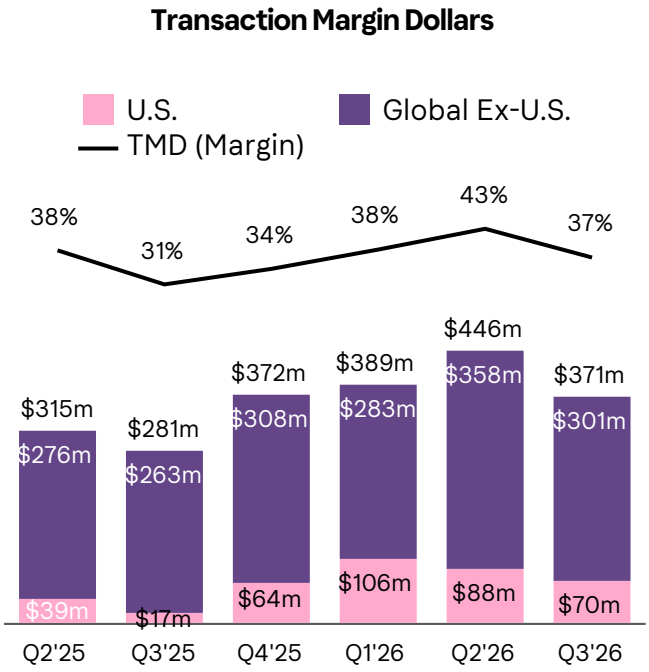
Our merchant network continues to expand, supported by deeper distribution through leading PSP platforms. We added 142,000 merchants quarter-over-quarter, and their adoption of all Klarna products is growing given default-on relationships. The number of merchants offering Fair Financing increased to 283,000, or 21% of merchants, up from 256,000 last quarter and 150,000 in Q3'25, when it was 18% of merchants.

Revenue growth of 12% in Q3 2026
Total revenues grew 12% in the quarter. Transaction and service revenue was $683 million, up 8%.

ARPAC expanded by 21% to $34 per active consumer, driven by higher engagement across more of our product set, and subscription revenue grew by more than 500%.

Our loan sale programs are working well: we sold about $7.7 billion of loans through our forward flow programs in the quarter. Demand from buyers is strong, and selling lets us recycle capital into new lending while we keep the customer relationship. Together, gains on consumer receivables and interest income contributed $326 million of revenue, up 21% from a year ago.

TMD is up 32% in Q3 2026
TMD growth was strong in the third quarter and reached $371 million, up 32% (33% like-for-like), or 1.03% of GMV. TMD margin was 36.8% of revenue, up 5.7 percentage points YoY, with higher margins in both the U.S. and global ex-U.S. Our ability to deepen engagement and expand the product breadth allows us to earn more per consumer while at the same time managing our transaction costs.



In the U.S., TMD was $70 million, more than four times last year's level, far outpacing U.S. revenue growth of 25%. U.S. transaction margin rose 12 percentage points to 18% of revenue. As Fair Financing's rapid growth annualizes and the portfolio seasons, we expect margins to move toward the ~60% TMD margins we see in mature markets.

Outside the U.S., TMD reached $301 million, up 14% (15% like-for-like), at a margin of 49%, up approximately 4 percentage points. Every market is on the same path, at a different point along it.

Transaction costs were $638 million, up 3%, well below volume growth of 10%. Processing and servicing costs were $255 million, or 0.71% of GMV (0.64% in Q2), reflecting higher settlement and Klarna Card issuing costs. Provisions for credit losses fell 14% to $201 million, or 0.56% of GMV (0.72% a year ago), reflecting continued improvements in underwriting and a larger share of loans offloaded.

Credit metrics remain strong

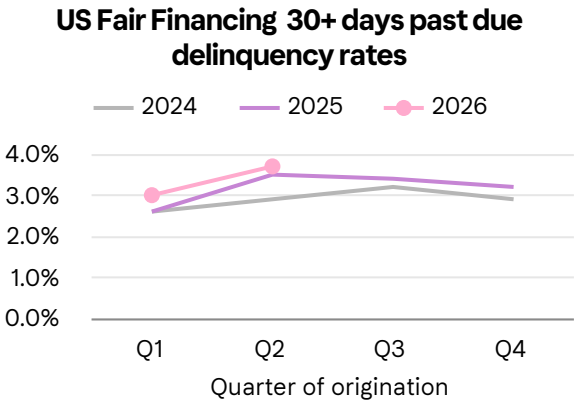
YoY, U.S. Pay Later 30+ day delinquencies improved from 1.7% to 1.4%, Pay Later 60+ day delinquencies improved from 1.5% to 1.2%, and Fair Financing 30+ day delinquencies were 3.7% from 3.5% last year. The modest increase in both Fair Financing 30+ and 60+ DPD is in line with our expectations and reflects the expansion of financing on the Klarna Card, which was not part of the portfolio a year ago and where our underwriting models are continuously improving

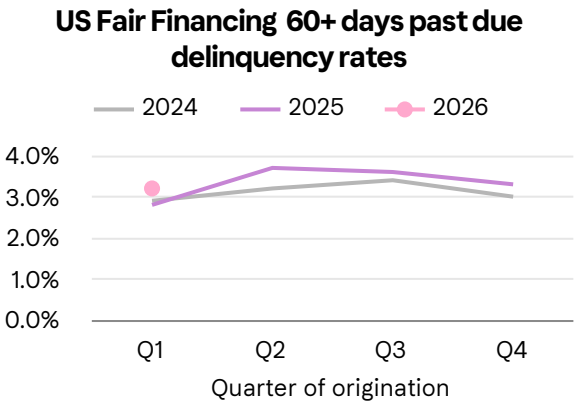
Our global ex-U.S. book improved, with recent cohorts performing better both quarter over quarter and year-over-year. We continue to see a healthy Klarna consumer globally, as reflected in these trends.

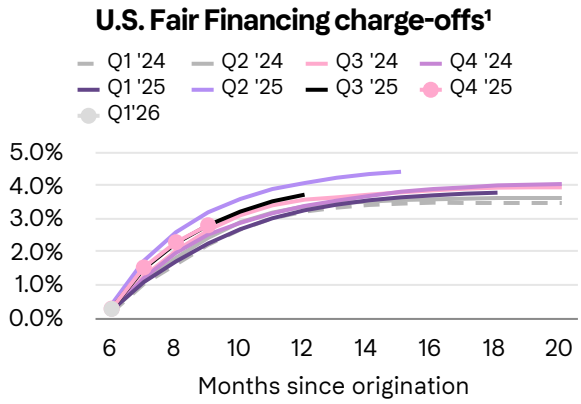
Charge-offs[1] remain within expected ranges. Supplementary materials including further credit performance data can be found on our investor relations website.

We operate with high-velocity, short-duration credit: our portfolio cycles around ten times per year, with an average consumer balance and duration of $124 and ~40 days[2], respectively. We assess every transaction individually, starting conservatively and scaling exposure only as we build individual consumer history.

Combined with high repeat usage, this creates a continuously improving data set that lets us refine risk decisions in real time. Since inception, Klarna has underwritten over $0.8 trillion, with provision for credit losses of around 0.6%[3], well below industry benchmarks, and improving over time.







[1] Cohort cumulative net charge-off curves may include non-representative items that do not reflect underlying credit performance. Where such items are material and impact cross-cohort comparability, we may adjust the curves and disclose such adjustments. The Q2 2025 U.S. Fair Financing cohort carries modestly higher cumulative net charge-offs, reflecting the 3-month loan tenor ramp and subsequent model recalibration; later 2025 cohorts are normalizing and charge-offs remain within our expected 3–4% range.

[2] At the end of Q4 2025

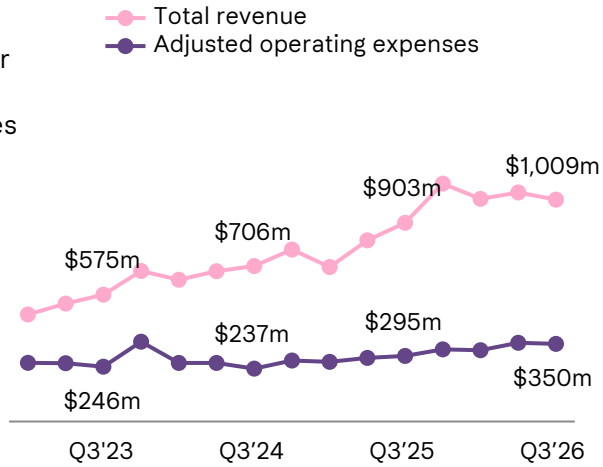
[3] Average provision for credit losses as a percentage of GMV, 2019–Q3 2026

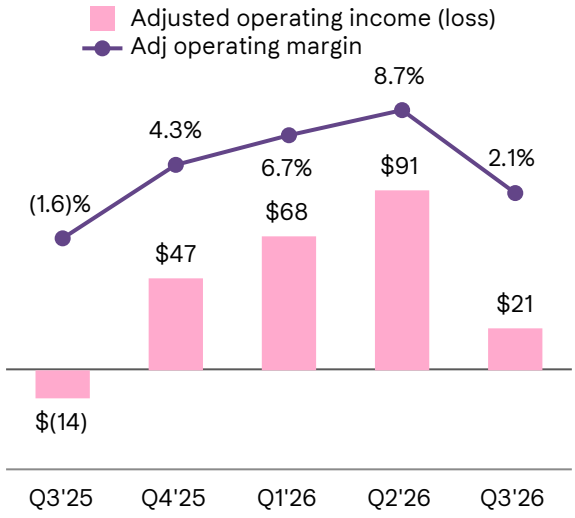
Our capital-light approach
As a bank, Klarna benefits from a scalable funding base that supports continued growth. As of September 30, 2026, we had $12.7 billion of customer deposits, representing 88% of our total funding, and providing a stable and flexible funding base. This deposit base is a structural advantage: it lowers our funding costs and deepens our relationship with consumers.

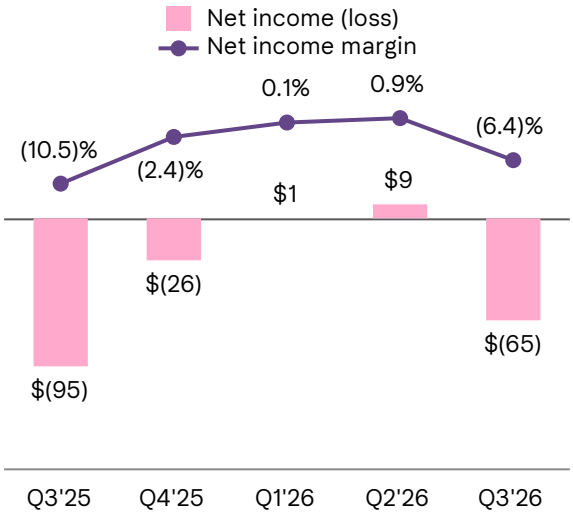
Our funding position is strong. Our model is designed to be low risk and highly capital efficient. Our products remain very short duration, and where duration grows, we can recycle capital because our risk profile is attractive to external capital providers. Klarna uses forward flows to recycle capital efficiently. Forward flows are committed, pre-priced loan sales, which reduce capital intensity, transfer credit exposure and accelerate revenue recognition. We are uniquely positioned to be able to use these instruments on our terms to deliver the best outcome for our shareholders.

Operating leverage continues as revenue outpaces costs
Adjusted operating expenses were $350 million, up 19% YoY. That growth was well below transaction margin dollar growth of 32%, demonstrating our operating leverage. On an IFRS basis, non-transaction-related operating expenses were $424 million, up 17%.

Adjusted operating income reached $21 million in Q3'26, up $35 million YoY, at a margin of 2.1%. On a reported basis, the operating loss was $53 million, an improvement of $30 million YoY. This reflects the timing on higher share-based payments we flagged for the third quarter as part of our annual compensation cycle: share-based payments were $54 million, up 38% and we expect to return to pre Q3 levels. The net loss was $65 million, an improvement of $30 million compared with a $95 million loss in Q3'25, and basic and diluted EPS improved from $(0.25) to $(0.19).







Financial outlook

	Full year reiterated (low)	Full year reiterated (high)
GMV	$149.0b	$151.0b
Revenue, % of GMV	2.74%	2.75%
in $	$4.08b	$4.16b
TMD, % of GMV	1.09%	1.09%
in $	$1.62b	$1.65b
AOI, % of revenue	6.9%	7.2%
in $	$280m	$300m

We are reiterating our full-year outlook:

- GMV of $149–151 billion
- Revenue of $4.08–4.16 billion, or 2.74–2.75% of GMV
- TMD of $1.62–1.65 billion, or 1.09% of GMV
- Adjusted operating income of $280–300 million, or 6.9–7.2% of revenue.

For the fourth quarter, that implies GMV of $42.6–44.6 billion, revenue of $1,017–1,097 million, TMD of $414–444 million and adjusted operating income of $100–120 million.

We have had a good start to the last quarter of the year and expect Q4 positive Net Income.

Assumptions embedded within the outlook[1]

Product mix
Fair Financing, the Klarna Card and continued network expansion remain the primary growth drivers.

Default-on partnerships
PSP partners expand our addressable market. Our outlook assumes continued rollout and ramp of our default-on PSP partnerships through peak season, including J.P. Morgan Payments, Adyen, Worldline, Worldpay (now Global Payments), and Fiserv's Clover and Commerce Hub.

Net gains on consumer receivables
Offloading is central to our capital-light strategy. We expect fourth-quarter net gains on consumer receivables to be higher than in the third quarter.

[1] Any guidance represents forward-looking statements and is subject to inherent uncertainty and risks. See "Forward-looking statements" in this release and "Risk Factors" in our annual report on Form 20-F. We do not attempt to provide reconciliations of forward-looking TMD or adjusted operating income to the comparable IFRS measure because the impact and timing of potential charges or gains excluded from the calculation of our TMD or adjusted operating income are inherently uncertain and difficult to predict and are unavailable without unreasonable efforts. Such items could have a material impact on our financial performance.

The financial outlook is only effective as of the date given and will not be updated or affirmed unless and until we publicly announce updated or affirmed guidance. Distribution or reference of this earnings release following the date hereof does not constitute Klarna re-affirming guidance.

We continue to see strong demand for our assets and will continue to expand our forward flow programs opportunistically. Retaining flexibility to hold more of the originations drives the potential for higher future returns and we no longer expect to sell our US and German Fair Financing loans to the extent that would trigger the fair value through P&L accounting presentation that was flagged in Q2.

As such, our FY outlook and the implied Q4 guide do not benefit from the previously forecasted TMD pull-forward of approximately 2 basis points of FY GMV.

Provisions
Underlying delinquency trends and consumer credit health remain stable.

Interest rates
The outlook assumes benchmark rates in line with current forward curves.

FX
Guidance assumes the following USD FX rates: EUR 1.120, SEK 0.100, GBP 1.329.

Conference call

Klarna will host a conference call and webcast to discuss its third quarter 2026 financial results on November 17, 2026, at 8:30 am ET.

Participating on the call will be:

- Sebastian Siemiatkowski, Chief Executive Officer, and
- Niclas Neglén, Chief Financial Officer.

The conference call will be webcast live on Klarna's investor relations website at investors.klarna.com. A replay will be available on the same website following the call.

Definitions

Like-for-like (LfL) growth
YoY change on a like-for-like basis is calculated by adjusting the relevant metric for the impact of foreign currency fluctuations. The impact of foreign currency fluctuations is calculated by translating the reported amounts in the current period using the exchange rates in use during the comparative prior period. Prior to Q1 2026, like-for-like growth also adjusted for the divestiture of Klarna Checkout (KCO), completed in October 2024. As Q1 2025 is the first comparative period in which KCO is fully lapped, no KCO adjustment is required from Q1 2026 onwards.

Active Klarna consumers
Consumers who have made a purchase or a payment using a Klarna-branded product or logged into the Klarna app within the past 12 months, calculated as of the end of that 12-month period.

New merchants
Refers to the net new number of merchants onboarded YoY. Merchants means the businesses that offer their goods and services to consumers on our network. The number of merchants presented refers to the number of unique combinations of brands (e.g., H&M) available on our network and the markets where such brands are available (e.g., Sweden).

Gross merchandise volume (GMV)
The total monetary value of all completed purchases on our network in that period, excluding any additional fees and any subsequent actions (such as returns, settlements and disputes).

Take rate
Total revenue as a percentage of GMV.

Average revenue per active consumer (ARPAC)
Our total revenue for the trailing twelve months, divided by the number of active Klarna consumers over that period.

Transaction margin dollars (TMD)
TMD is total revenue less total transaction costs, which consist of processing and servicing costs, provision for credit losses and funding costs.

Provision for credit losses (% of GMV)
Provision for credit losses divided by GMV.

Adjusted operating income (loss)
Adjusted operating income (loss) is defined as operating profit (loss) excluding (i) depreciation, amortization and impairments, (ii) share-based payments expense, (iii) restructuring costs and expenses related to preparation for an initial public offering.

IFRS non-transaction-related operating expenses
IFRS non-transaction-related operating expenses is defined as IFRS operating expenses excluding processing and servicing costs, provision for credit losses and funding costs.

Compounding growth

Amounts in USD millions	Q3'26	Q3'25	YoY
GMV, of which:	36,053	32,659	10%
Fair Financing	5,243	3,247	61%
Transaction and service revenue	683	634	8%
Gains on consumer receivables, net of fair value movements	53	–	n.m.
Interest income	273	269	1%
Total revenue	**1,009**	**903**	**12%**
Processing and servicing costs	(255)	(208)	23%
Provision for credit losses	(201)	(235)	(14)%
Funding costs, of which:	(182)	(180)	1%
Interest costs on funding	(131)	(138)	(5)%
Fair value adjustment on loans sold and held for sale	(51)	(42)	21%
Transaction costs	**(638)**	**(622)**	**3%**
Transaction margin dollars	**371**	**281**	**32%**
Technology and product development	(108)	(97)	11%
Sales and marketing	(100)	(85)	18%
Customer service and operations	(52)	(50)	4%
General and administrative	(90)	(63)	43%
Adjusted operating expenses	**(350)**	**(295)**	**19%**
Adjusted operating income	**21**	**(14)**	**↑$35**
Depreciation, amortization and impairments	(22)	(25)	(12)%
Share based payments	(54)	(39)	38%
Restructuring and other	2	(5)	140%
Operating profit (loss)	**(53)**	**(83)**	**↑$30**
Other income (expense)	3	(4)	175%
Profit (Loss) before income tax	**(50)**	**(87)**	**↑$37**
Income tax	(15)	(8)	88%
Net income (loss)	**(65)**	**(95)**	**↑$30**

Key Metrics	Q3'26	Q3'25	YoY
Active consumers (m)	122	114	7%
Merchants (k)	1,350	850	59%
Average revenue per active consumer ($)	34.0	28.1	21%
Revenue take rate	2.80%	2.76%	3 bps
Provision for credit losses (% of GMV)	0.56%	0.72%	(16) bps

Note: unlike the balance sheet, which shows a snapshot of assets and liabilities as at each period end, Provision for credit losses in the income statement reflect provisions for potential future losses and realized losses associated with lending activities during the period.

Non-IFRS measures and reconciliations

We use certain non-IFRS financial measures to supplement our consolidated financial statements, which are presented in accordance with IFRS. These non-IFRS financial measures include TMD, Transaction margin, Adjusted operating income (loss), Adjusted operating expenses and Adjusted operating margin. We use these non-IFRS financial measures to facilitate the review of our operational performance and as a basis for strategic planning. We also present period-over-period changes in certain metrics on like-for-like (LfL) basis, which is calculated by adjusting the metric for the impact of foreign currency fluctuations. The impact of foreign currency fluctuations is calculated by translating the reported amounts in the current period using the exchange rates in use during the comparative prior period.

TMD and Transaction margin are key performance measures used by our management to measure our ability to attain efficiency and scale and to grow these metrics over time. They measure our success in growing revenue while effectively managing our processing and servicing costs, provision for credit losses and funding costs.

In addition, by excluding certain items that are nonrecurring or not reflective of the performance of our normal course of business, we believe that Adjusted operating expenses, Adjusted operating income (loss) and Adjusted operating margin provide meaningful supplemental information regarding our performance. Accordingly, we believe that these non-IFRS financial measures are useful to investors and others because they allow investors to supplement their understanding of our financial trends and evaluate our ongoing and future performance in the same manner as management. However, there are several limitations related to the use of non-IFRS financial measures as they reflect the exercise of judgment by our management about which expenses are excluded or included in determining these non-IFRS measures. These non-IFRS measures should be considered in addition to, not as a substitute for or in isolation from, our financial results prepared in accordance with IFRS. Other companies, including companies in our industry, may calculate these non-IFRS (or similar non-GAAP) financial measures differently or not at all, which reduces their usefulness as comparative measures.

TMD is defined as total revenue less total transaction costs, consisting of processing and servicing, provision for credit losses and funding costs. Transaction margin is calculated by dividing TMD by our total revenue. Adjusted operating income (loss) is defined as operating profit (loss) excluding (i) depreciation, amortization and impairments, (ii) share-based payments expense, (iii) restructuring costs and expenses related to preparation for an initial public offering. Adjusted operating expenses are defined as operating expenses excluding (i) depreciation, amortization and impairments, (ii) share-based payments expense and (iii) restructuring costs and expenses related to preparation for an initial public offering. Adjusted operating margin is defined as Adjusted operating income (loss) divided by our total revenue. Depreciation, amortization and impairments below include amounts recorded within Technology and product development expenses in our consolidated statements of profit and loss. We consider the exclusion of certain nonrecurring or noncash items in calculating Adjusted operating income (loss), Adjusted operating margin and Adjusted non-transaction-related operating expenses to provide a useful measure for investors and others to evaluate our operating results and expenses in the same manner as management.

Forward-looking statements

This earnings release contains forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements regarding our future financial performance, business strategy, growth objectives, market opportunities, expected timing of becoming live with PSPs and other partners, utilization of our forward-flow and similar arrangements and other operational plans. Words such as "believe," "expect," "anticipate," "intend," "plan," "will," "may," "could," "estimate" and similar expressions identify forward-looking statements.

These forward-looking statements are subject to risks, uncertainties, and assumptions that could cause actual results to differ materially from those expressed or implied, including risks related to:

- Our ability to retain and grow consumer and merchant relationships;
- Competition and technological developments;
- Regulatory compliance and licensing requirements;
- Credit risk management and funding availability;
- General economic conditions and market volatility; and
- Our ability to expand into new markets and products, including our ability to successfully develop, launch and monetize AI-enabled and agentic commerce products.

Forward-looking statements reflect our views as of the date of this release and are based on information currently available to us. We undertake no obligation to update any forward-looking statements, except as required by law. Actual results may differ materially from those anticipated. Investors should not place undue reliance on these forward-looking statements and should review the risk factors in our filings with the SEC for a more complete discussion of risks.

Financials and Key Metrics adjusted for foreign currency exchange fluctuations

	Statement of profit or loss		Like-for-like[1]	
Amounts in USD millions	**Q3'26**	**Q3'25**	**Q3'26**	**Q3'25**
GMV, of which:	36,053	32,659	36,312	32,659
Fair Financing	5,243	3,247		
Transaction and service revenue	683	634	687	634
Gains on consumer receivables, net of fair value movements	53	—	53	—
Interest income	273	269	274	269
Total revenue	**1,009**	**903**	**1,014**	**903**
Processing and servicing costs	(255)	(208)	(256)	(208)
Provision for credit losses	(201)	(235)	(202)	(235)
Funding costs, of which:	(182)	(180)	(183)	(180)
Interest costs on funding	(131)	(138)		
Fair value adjustment on loans sold and held for sale	(51)	(42)		
Transaction costs	**(638)**	**(622)**	**(641)**	**(622)**
Transaction margin dollars	**371**	**281**	**373**	**281**
Technology and product development	(108)	(97)	(109)	(97)
Sales and marketing	(100)	(85)	(101)	(85)
Customer service and operations	(52)	(50)	(53)	(50)
General and administrative	(90)	(63)	(90)	(63)
Adjusted operating expenses	**(350)**	**(295)**	**(353)**	**(295)**
Adjusted operating profit	**21**	**(14)**	**20**	**(14)**
Depreciation, amortization and impairments	(22)	(25)		
Share based payments	(54)	(39)		
Restructuring and other	2	(5)		
Operating profit (loss)	**(53)**	**(83)**		
Other income (expense)	3	(4)		
Profit (Loss) before income tax	**(50)**	**(87)**		
Income tax	(15)	(8)		
Net income (loss)	**(65)**	**(95)**		

Key Metrics	**Q3'26**	**Q3'25**	**Q3'26**	**Q3'25**
Active consumers (m)	122	114	122	114
Merchants (k)	1,350	850	1,350	850
Average revenue per active consumer ($)	34.0	28.1	33.0	28.1
Revenue take rate	2.80%	2.76%	2.79%	2.76%
Provision for credit losses (% of GMV)	0.56%	0.72%	0.56%	0.72%

As a global business, foreign currency exchange (FX) fluctuations can impact our results. To better reflect underlying trends, we present like-for-like figures that exclude the impact from FX effects. In Q3'26, total revenue grew 12%. FX impact was nearly flat, so revenue also grew 12% on a like-for-like basis. Adjusted operating expenses grew by 19% at the headline level, and by 20% on a like-for-like basis, as FX reduced reported growth by approximately 1 percentage point.

[1] Like-for-like (LfL) YoY growth is calculated by adjusting for the impact of foreign currency fluctuations. The impact of foreign currency fluctuations is calculated by translating the reported amounts in the current period using the exchange rates in use during the comparative prior period.

Reconciliation of Operating profit (loss) to Transaction margin dollars (TMD)[1]

Amounts in USD millions	As reported Q3'26	Q3'25
Operating profit (loss)	**$(53)**	**$(83)**
Technology and product development	138	123
Sales and marketing costs	127	102
Customer service and operations	54	53
General and administrative	99	77
Depreciation, amortization (excl. software) and impairments	6	8
Transaction margin dollars	**371**	**281**

Reconciliation of Operating expenses to Adjusted operating expenses[1]

Q3'26	Operating expenses	Restructuring and other	Share-based payments	Depreciation and amortization	Adjusted operating expenses
Technology and product development	$138	–	$(16)	$(14)	$108
Sales and marketing costs	127	–	(27)	–	100
Customer service and operations	54	–	(2)	–	52
General and administrative	99	–	(9)	–	90
Depreciation, amortization (excl. software) and impairments	6	2	–	(8)	–
Total	**424**	**2**	**(54)**	**(22)**	**350**

Q3'25	Operating expenses	Restructuring and other	Share-based payments	Depreciation and amortization	Adjusted operating expenses
Technology and product development	$123	–	$(9)	$(17)	$97
Sales and marketing costs	102	–	(17)	–	85
Customer service and operations	53	–	(4)	–	50
General and administrative	77	(5)	(9)	–	63
Depreciation, amortization (excl. software) and impairments	8	–	–	(8)	–
Total	**364**	**(5)**	**(39)**	**(25)**	**295**

[1] Rounding effects may be present in this table.

Interim condensed consolidated statement of profit or loss

(Unaudited)

USD millions, except per share amounts	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Transaction and service revenue	683	634	2,061	1,757
Gains on consumer receivables, net of fair value movements	53	—	179	—
Interest income	273	269	823	670
Total revenue	**1,009**	**903**	**3,063**	**2,427**
Processing and servicing costs	(255)	(208)	(754)	(559)
Provision for credit losses	(201)	(235)	(579)	(545)
Funding costs	(182)	(180)	(524)	(457)
Technology and product development	(138)	(123)	(397)	(358)
Sales and marketing	(127)	(102)	(361)	(286)
Customer service and operations	(54)	(53)	(166)	(155)
General and administrative	(99)	(77)	(271)	(235)
Depreciation, amortization and impairments	(6)	(8)	(20)	(50)
Operating expenses	**(1,062)**	**(986)**	**(3,072)**	**(2,645)**
Operating profit (loss)	**(53)**	**(83)**	**(9)**	**(218)**
Other income (expense)	3	(4)	1	(6)
Profit (loss) before taxes	**(50)**	**(87)**	**(8)**	**(224)**
Tax (expense) benefit	(15)	(8)	(47)	(22)
Net profit (loss)	**(65)**	**(95)**	**(55)**	**(246)**
Whereof attributable to:				
Shareholders of Klarna Group plc	(71)	(95)	(72)	(247)
Non-controlling interests	6	—	17	1
Total	**(65)**	**(95)**	**(55)**	**(246)**
Net profit (loss) per share attributable to shareholders of Klarna Group plc				
Basic	$ (0.19)	$ (0.25)	$ (0.19)	$ (0.67)
Diluted	$ (0.19)	$ (0.25)	$ (0.19)	$ (0.67)

Interim condensed consolidated statement of financial position

(Unaudited)

USD millions	September 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	3,536	3,803
Debt securities	2,796	1,518
Consumer receivables at amortized cost	8,244	10,459
Consumer receivables at fair value through OCI	1,393	386
Consumer receivables at fair value through profit or loss	364	400
Other financial assets at amortized cost	518	—
Settlement, trade and other receivables	522	580
Property and equipment	24	60
Goodwill	659	685
Intangible assets	323	383
Deferred tax assets	25	36
Other assets	535	487
Total assets	**18,939**	**18,797**
Liabilities		
Accounts payable and accrued expenses	484	655
Consumer deposits	12,733	13,003
Payables to merchants	1,007	736
Notes payable and other borrowings	1,728	1,359
Deferred tax liabilities	—	2
Other liabilities	393	358
Total liabilities	**16,345**	**16,113**
Equity		
Share capital	—	—
Additional paid in capital	462	427
Reserves	(250)	(90)
Retained earnings	2,151	2,170
Total equity excluding non-controlling interests	**2,363**	**2,507**
Non-controlling interests	231	177
Total equity	**2,594**	**2,684**
Total equity and liabilities	**18,939**	**18,797**

Interim condensed consolidated statement of cash flows

(Unaudited)

USD millions	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Operating activities		
Profit (loss) before taxes	(8)	(224)
Income taxes paid	(38)	(48)
Interest expense paid	(255)	(345)
Interest income received	877	464
Adjustments for non-cash items in operating activities		
Depreciation, amortization and impairment	64	102
Share-based payments	120	124
Provision for credit losses	740	676
Financial items including fair value effects	(62)	(86)
Other adjustments for non-cash items	17	–
Changes in the assets and liabilities of operating activities		
Change in consumer receivables at fair value through OCI	(930)	–
Change in consumer receivables at fair value through P&L	170	–
Change in consumer receivables at amortized cost	(10)	(1,962)
Change in other financial assets at amortized cost	(568)	–
Change in settlement, trade and other receivables	(141)	(32)
Change in notes payable and other borrowings	(5)	1,267
Change in consumer deposits	700	3,189
Change in bonds and treasury bills with maturity > 90 days	(1,266)	(969)
Change in other assets and liabilities	212	(150)
Cash flow from operating activities	**(383)**	**2,006**
Investing activities		
Investments in intangible assets	(25)	(21)
Investments in property and equipment	(1)	(1)
Cash flow from investing activities	**(26)**	**(22)**
Financing activities		
New share issuance	–	192
Other equity instruments issued	52	–
Notes payable and other borrowings issued	536	841
Notes payable and other borrowings redeemed	(317)	(56)
Principal payments of lease liabilities	(15)	(14)
Other financing activities	–	–
Cash flow from financing activities	**256**	**963**
Cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	**3,803**	**3,243**
Cash flow for the period	(153)	2,947
Exchange rate difference in cash and cash equivalents	(114)	605
Cash and cash equivalents at end of period	**3,536**	**6,795**