Klarna Reports Third Quarter 2026 Results

New York, November 17, 2026 — Klarna Group plc (NYSE: KLAR), the everyday finance network, today reported third quarter 2026 results. GMV reached $36.1 billion (+10% YoY), revenue $1.0 billion (+12% YoY), transaction margin dollars (TMD) $371 million (+32% YoY), and adjusted operating income $21 million (+$35m YoY).

"Q3 was our fourth straight quarter with revenue above 1 billion dollars and positive adjusted operating income. We are keeping more of each dollar we process through our everyday finance network: transaction margin is now 37% of revenue, up from 31% a year ago. Looking ahead, we're finishing the year strong as we are running on track with, or ahead of, all our full year outlook."
Sebastian Siemiatkowski, CEO & Co-Founder, Klarna

Klarna's full earnings release is available at the Quarterly Results section of its website at https://investors.klarna.com/financials/quarterly-results/

Q3 2026 Financial Highlights

- GMV: $36.1 billion (+10% YoY; U.S. +24% YoY)
- Revenue: $1,009 million (+12% YoY)
- Transaction Margin Dollars: $371 million (+32% YoY)
- Adjusted operating income: $21 million (+$35m YoY)
- Net income: $(65) million, an improvement of $30m versus Q3 2025
- Provisions for credit losses: 0.56% of GMV versus 0.72% of GMV in Q3 2025
- Active consumers: 122 million (+7% YoY)
- Merchants: 1.35 million (+59% YoY)
- Earnings per share: $(0.19), an improvement of $0.06 versus Q3 2025

More consumers, deeper engagement, bigger purchases

We added 8 million active consumers year over year to reach 122 million, and they are doing more with us: average revenue per active consumer rose 21% to $34.0. The Klarna Card volume doubled and subscription revenue grew 530% in Q3. Our charge-card equivalent, Pay Later, remains the entry point for consumers, who then increasingly move on to bigger purchases with Fair Financing. In the US Fair Financing grew 73% to $3.6 billion. They also use Klarna for a wider range of purchases: Events & Services rose to 14% of GMV from 9% and Home & Electronics to 22% from 21%, while Apparel & Accessories fell to 32% from 36%.

More merchants, more categories, a stronger network

Our merchant network is our main customer acquisition channel. Merchants rose 59% year over year to 1.35 million, driven by default-on integrations with the world's largest payment service providers. In October, Clover, Fiserv's small-business platform, went live at 100,000 U.S. in-store locations, and we extended the partnership to Fiserv's Commerce Hub; in

Europe, we updated our agreement with Mollie, which serves 350,000 businesses. We are also expanding available payment methods with existing merchants. Fair Financing availability at merchants grew to 283,000 merchants, or 21%, up from 150,000 a year ago. Southwest Airlines and J.Crew went live in the U.S., and Marks & Spencer's launch means every major U.K. department store now offers Klarna. Each merchant we add gives consumers more reasons to use Klarna, and each consumer we add makes Klarna more valuable to merchants.

Lower costs, wider margins, more from every dollar

Our economics improve as the network grows, and we manage Klarna to optimize transaction margin dollars (TMD), the revenue we retain after processing, credit and funding costs. TMD grew 32% to $371 million, much faster than revenue, as transaction costs grew just 3%, even as GMV grew 10%. Provisions for credit losses improved to 0.56% of GMV, from 0.72% a year ago, reflecting continued improvements in underwriting and a larger share of loans offloaded.

TMD margin is now 36.8% of revenue, up 5.7 percentage points year over year. The U.S. is the biggest driver, with TMD margin rising from 6% to 18% over the past 12 months, following the path of our mature markets, where TMD margin sits close to 60%.

Outlook

We are reiterating our full-year outlook:

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

For the fourth quarter, this 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.

	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	**6.90%**	**7.20%**
in $	$280m	$300m

Our guidance and outlook are forward-looking statements (see "Forward-looking statements" for important information).

NOTES

Non-IFRS Measures and Reconciliations

Transaction margin dollars and adjusted operating income are non-IFRS measures used by our management to measure our ability to attain efficiency and scale. Transaction margin dollars is defined as total revenue less total transaction costs, consisting of processing and servicing, provision for credit losses and funding costs. Please refer to the accompanying earnings release for more information.

We do not attempt to provide reconciliations of forward-looking Transaction margin dollars 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 Transaction margin dollars are inherently uncertain and difficult to predict and are unavailable without unreasonable efforts. In addition, we believe such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a material impact on our financial performance.

Q3 2026 Supplemental Information

Reconciliation of Operating income (loss) to Transaction margin dollars (TMD)

Amounts in USD millions	Q3'26	Q3'25
Operating income (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 Adjusted operating income to Operating income (loss)

Amounts in USD millions	Q3'26	Q3'25
Adjusted operating income	**21**	**(14)**
– Depreciation, amortization and impairments	**(22)**	**(25)**
– Share-based payments	**(54)**	**(39)**
– Restructuring and other	**2**	**(5)**
Operating income (loss)	**(53)**	**(83)**

Forward-Looking Statements

This press 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 and market opportunities. 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. 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.

About Klarna

Klarna is a global digital bank and flexible payments provider. With 122 million global active Klarna users and 3.8 million transactions per day, Klarna's AI-powered payments and commerce network is empowering people to pay smarter with a mission to be available everywhere for everything. Consumers can pay with Klarna online, in-store and through Apple Pay & Google Pay. Over 1.3 million retailers trust Klarna's innovative solutions to drive growth and loyalty, including Apple, Uber, H&M, Saks, Sephora, Macy's, Ikea, Expedia Group, Nike and Airbnb. Klarna is listed on the New York Stock Exchange (NYSE: KLAR). For more information, visit Klarna.com.