NEWS RELEASE

# Klarna Announces Profitable Start to 2024 as It Sets the Stage for a Year of Innovation and Growth

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Stockholm, May 30th 2024 - Klarna, the AI-powered global payments network and shopping assistant, today **reported** its Q1 2024 financial results, revealing another profitable quarter and continued growth outpacing ecommerce.

Sebastian Siemiatkowski, CEO of Klarna, said, “Klarna continues its acceleration with 29% revenue growth year on year, coupled with the power of AI to lower operating expenses, we have once again delivered a profitable quarter with a substantial SEK 727m improvement in adjusted operating income. With several new products set to launch in the coming months, we’re preparing for a truly exciting year ahead.”

AI’s positive impact on the bottom line

Klarna reported an adjusted operating income of SEK 229m, marking a significant turnaround from a loss of SEK 498 million in Q1 of the previous year. This improvement was driven by a 29% year-over-year increase in revenue, reaching SEK 6.4bn. Additionally, 90% of Klarna employees have integrated AI into their daily workflows, contributing to a 11% reduction in operating expenses. The continued implementation of AI technology has substantially enhanced efficiency, leading to better operating leverage and profitability. The AI Assistant, launched in January has engaged with over 4 million customers and will deliver annualized savings of USD 40m.

The US continues to grow and grow, with revenues in the period increasing 38% YoY, while gross profit saw an impressive rise of 97% over the same period. This continued performance has contributed to a 22% improvement in gross profit at a group level.

Klarna enters partnerships with even more of the world's biggest brands

Gross Merchandise Volume (GMV) grew 17% YoY, outpacing global e-commerce which increased just 2%* in the same quarter as Klarna partnered with new merchants and expanded previous relationships into multiple new markets. New partners, Uber and Uber Eats, launched in the US, German and Sweden, while an existing global partnership with Expedia.com and Hotels.com rolled out to the US.

Product innovations that make Klarna an everyday spending partner

Klarna continues to set the standard for fairer, flexible payment options, announcing the new Klarna Card in the US, set to revolutionize card purchases and offer increased flexibility and better financial management through its app. Announced at the start of the year, Klarna Plus, which for a monthly subscription offers fans the very best of Klarna, has attracted 70,000 sign-ups. Earlier in the quarter, "Sign in with Klarna" launched across 23 countries, streamlining online shopping by allowing consumers to quickly log in and choose the personal data they share, facilitating a tailored checkout experience.

*Digital Commerce Growth, Salesforce Shopping Index