



NEWS RELEASE

# Klarna Powers Fair Financing Hypergrowth with \$6.5bn US Agreement

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NEW YORK--(BUSINESS WIRE)-- Klarna, the global digital bank and flexible payments provider, announced today that investment funds managed by Elliott Investment Management, a U.S.-based investment firm, will purchase Klarna's U.S. Fair Financing loans, supporting the continued expansion of this product in the United States. The companies expect to facilitate a total of \$6.5bn-worth of loans over the two-year term of the agreement.

The agreement enables Klarna to sell part of its existing Fair Financing portfolio and, from October onwards, newly originated Fair Financing receivables to the Elliott-managed funds on a rolling basis. The transaction provides scalable, off-balance-sheet funding to support Klarna's growing U.S. consumer credit business, while delivering strong returns and improving the company's financial flexibility and long-term capital efficiency.

The back-book sale secures immediate revenue realization and enables full facility utilization early in the program. The forward flow structure offers predictable funding economics and underscores Klarna's ability to design and execute large-scale capital markets transactions that align funding with the company's risk and growth strategy. Klarna will still own all consumer-facing activities, including underwriting and servicing.

"This is another major step in our U.S. growth journey," said **Niclas Neglén, Chief Financial Officer at Klarna**. "Fair Financing puts people in control, giving them real choice and flexibility with clear terms and no surprises. This agreement lets us reach even more Americans who are moving on from traditional credit and choosing fairer ways to pay."

Klarna Fair Financing is growing quickly and taking significant market share in the U.S. fixed term installments market. Fair Financing GMV has grown by 139% globally, and 244% in the US, over the past year, and today's agreement enables Klarna to support similar growth into the future.

## Note to editors

The facility size is \$1bn and over the course of the 2-year term of the agreement, as underlying assets amortize, new loans will enter the facility. In this way, Klarna expects the agreement to facilitate the origination of \$6.5 bn-worth of loans.

## About Klarna

Klarna is a global digital bank and flexible payments provider. With over 111 million global active Klarna users and 2.9 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, instore and through Apple Pay & Google Pay. More than 790,000 retailers trust Klarna's innovative solutions to drive growth and loyalty, including 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**.

## 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, market opportunities, operational plans and funding arrangements, including our expectations related to the forward flow and whole-loan sale program. 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;
- Our ability to achieve expected benefits from our funding arrangements;
- Credit risk management and funding availability;
- General economic conditions and market volatility; and
- Our ability to expand into new markets and 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.

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