



NEWS RELEASE

Klarna announces profitable quarter as it gears up for biggest shopping season yet

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Stockholm November 6th 2023 - Klarna, the AI-powered global payments network and shopping assistant, today reported its **latest financial results** revealing a net profit in Q3 2023, demonstrating yet again the agility and robustness of its business model.

Sebastian Siemiatkowski, CEO of Klarna said, "With a profitable quarter and continuous double digit growth, we have achieved exactly what we set out to do. This fantastic success sets us up for the busiest shopping period where our AI powered products will help consumers make their money go further, find the best deals, and get inspired. Our growth has accelerated in Q3 and we will build on this momentum in Q4 with further investments to drive value to our consumers and merchants alike."

Strong performance

Operating profit was SEK 130 million in Q323, up from SEK -2bn in Q322 as Klarna prepares to invest in the busy Q4 period. Credit losses as a % of GMV reduced 56% due to continuous improvements in underwriting precision and accuracy ensuring Klarna continues to make the right lending decisions for consumers while at the same time delivering 30% revenue growth.

Q323 marks the fourth consecutive quarter of gross profit in the US, proving that the investment into one of the world's largest consumer markets continues to pay off.

Bigger, Stronger Partnerships

GMV in the period increased by 22% YoY to SEK 243 billion, as consumer demand for fairer, more sustainable payment options increases at pace. Klarna partnered with international fashion and design retailer YOOX across 11

global markets, including the US. The global roll out of Klarna's partnership with Airbnb continues at pace, with consumers in seven countries now able to spread the cost of their trips worldwide. By early 2024, Klarna will roll out to Airbnb guests in additional countries across three continents.

AI spearheading innovation

Klarna unveiled several new AI-powered features as part of its Fall Spotlight initiative. The introduction of Klarna's Shopping Lens empowers users to capture images of desired items and instantly locate where to purchase them at the best deals through Klarna's app, using AI for a seamless shopping journey. The rollout of shoppable video enables consumers in more markets than ever to shop directly from curated video content based on their preferences in their personalized app feed. Furthermore, shoppers now have the flexibility to pay for gift cards from over 100 leading brands with Klarna.

Klarna continued on its commitment to help consumers make the right decisions for them and the planet by introducing a suite of eco-conscious products including a revolutionary conscious shopping dashboard. This allows shoppers to monitor CO₂ emissions, engage with conscious brands, and utilize circular services like the novel resell feature, fostering more environmentally sound decisions.