



NEWS RELEASE

Klarna publishes interim financial statements for January – September 2018

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Today, Klarna Bank AB (publ) (“Klarna”) publishes its interim financial statements for January-September 2018. The full report is available at www.klarna.com.

January – September 2018 (compared to January – September 2017)

- Volume growth accelerated and now over 40 percent year on year.
- Strong growth trajectory is from existing and newly onboarded merchants across key markets most notably in UK & Germany, and the realisation of a successful integration of BillPay.
- Total operating revenue grew by 36% to SEK 4,294m (3,159) driven by increased demand from merchants on core products such as Pay Later and increasing popularity of the Slice It product amongst consumers.
- Operating income for the period was SEK 113m (488)
- Continued acceleration of strategic investments in business capabilities, product proposition and talent to support future business expansion and objectives. Core business focus is on driving growth and an acceleration from initial investments is already starting to be realised.

Highlights during the quarter:

- Acquisition of Close Brothers Retail Finance from leading UK merchant banking group Close Brothers Group plc. The acquisition will significantly strengthen Klarna’s position in the UK market for omnichannel retail financing and will enable accelerated growth and expansion of the consumer offering.
- Continuing strong growth of merchant base, now exceeding 100,000 live with Klarna. New merchants during the quarter include H&M Brands Arket, Monki and Weekday using full Klarna Check-out across 14 markets. The online beauty retailer BEAUTY BAY in UK & Germany, the Etsy Online Marketplace in Germany, NAKD in Netherlands, Norway, UK and Finland and strong addition to home vertical with Swoon Editions in the UK.



- Launch of Universal Checkout together with MYBESTBRANDS, Germany's largest online shopping mall for premium and luxury fashion, the first cooperation of its kind in Germany. Customers will now be able to add items from different merchants to a single cart on MYBESTBRANDS and then pay with a click via Klarna.
- Continuing growth of instore and offline presence, the largest sportswear retailer in the Nordic region XXL will introduce Klarna instore across 77 stores in the Nordics.
- Partnering with OXID eSales, one of the leading providers of e-commerce solutions and services, to enable more than 12,000 merchants to seamlessly integrate Klarna's full suite of payment methods.

Klarna is one of Europe's leading payments providers and fully licensed bank, which wants to revolutionise the payment experience for shoppers and merchants alike. Founded in Stockholm, Sweden, in 2005, we offer a simple, safe and smooth checkout experience. Klarna now works with 100,000 merchants. Klarna has 2,000 employees and is active in 14 countries. Klarna is backed by investors such as Sequoia Capital, Bestseller Group, Atomico, VISA and Permira.

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