Press Releases

Klarna year-end report January - December 2017

STOCKHOLM, Sweden and NEW YORK, Feb. 28, 2018 – Our purpose at Klarna is to simplify buying. This is done by making buying simpler and safer for consumers and selling simpler and safer for merchants. Klarna's business is primarily comprised of payment solutions and consumer credit products designed specifically for e-commerce. Today, Klarna's services have expanded beyond traditional e-commerce, for example, by managing payments for public transport, media and increasingly in physical stores. Klarna receives revenues from both the merchants and the consumers that use Klarna's payment solutions.

July - December 2017
- Compared to last year, total sales volume grew by 43%
- Total operating revenues increased 32% to SEK 2,474m (1,868)
- Operating income for the period was SEK 203m (35)
- Net income for the period amounted to SEK 117m (17)

January - December 2017
- Year over year growth in total sales volumes was 42%
- Total operating revenues increased 27% to SEK 4,526m (3,561)
- Operating income amounted to SEK 524m (168)
- Net income for the year amounted to SEK 346m (113)
- 26,000 new merchants, Group total now 89,000
- 19 million new consumers used Klarna this year

Highlights from the year
- Bank license was obtained in June
- BillPay GmbH was acquired in September
- Additional tier 1 capital was raised in May and a senior unsecured bond was issued in September

To our shareholders

Fellow shareholders,
2017 was an important year for Klarna.

Obtaining a banking license was a milestone and natural next step for the company. I am proud to say that Klarna has already played a role in disrupting payments services in order to provide the smoothest experience for merchants and consumers. Now we have even more possibilities to drive that change by broadening our offering and the ability to be deeper in the value chain. The license will not change who we are; consumer focused, product driven and technology intensive. We will continue to work every day to providing solutions that will deliver optimal user experience, help people streamline their financial lives and support businesses by solving the complexity of handling payments.

Our focus on user experience for consumers is relentless and by doing so, we drive loyalty, and ultimately sales for our 89,000 merchants and partners. They see the value which our products bring, improving conversion rates, order amount, number of users and overall preference. The significant year on year growth in volumes recorded is testament to this and supported the further scaling of the company across key markets.

The acquisition of BillPay GMBH into the Klarna Group in September significantly strengthened our position in the DACH region and we welcomed talented new colleagues to the company.

Over the course of the year Brightfolk/Bestseller Group, Permira and Visa Group all joined as new investors. The company is continually evolving and this new energy, strategic insight and perspective is a great asset.

Other highlights:
- Our systems remained very stable during the year. Black Friday and Christmas were effortlessly handled despite record breaking sale figures, and over the year we maintained 99.98% system availability.
- We are proud to see our customer service satisfaction index at 88% a real proof of success, with anything above 85 % considered to be world class customer service.

I want to take this opportunity to thank my fellow employees, our shareholders, merchants and users for another great year.

Together we will continue to create wonders.

Thank you,
Sebastian Siemiatkowski, CEO and Co-founder

The full report is available at www.klarna.com

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 smoooth checkout experience. Klarna now works with 89,000 merchants. Klarna has 1,700 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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