

January-December 2021

Klarna Bank AB (publ)  
(Corp.ID 556737-0431)

# Investor Presentation.

# Strong financial growth across the board.

147m

Global active consumers

400k+

Global Retail Partners

45

Countries

42%

Gross merchandise volume  
YoY growth<sup>1</sup>

31.3%

CET1 ratio  
Klarna Holding Group

38%

Total net operating income  
YoY growth<sup>1</sup>

USD 80bn

of Gross merchandise volume<sup>2</sup>  
SEK 689bn (2020: SEK 484bn)<sup>1</sup>

USD 1.6bn

of Total net operating income  
SEK 13.8bn (2020: SEK 10bn)<sup>1</sup>

The information is presented for Klarna Bank AB (publ).

<sup>1</sup>Klarna's results are reported in SEK. To arrive at USD values, the average exchange rates for 2020 and 2021 have been used; 1 USD equals approximately 9.2 SEK for full year 2020, and 1 USD equals approximately 8.6 SEK for full year 2021. All growth figures are based on SEK results figures.

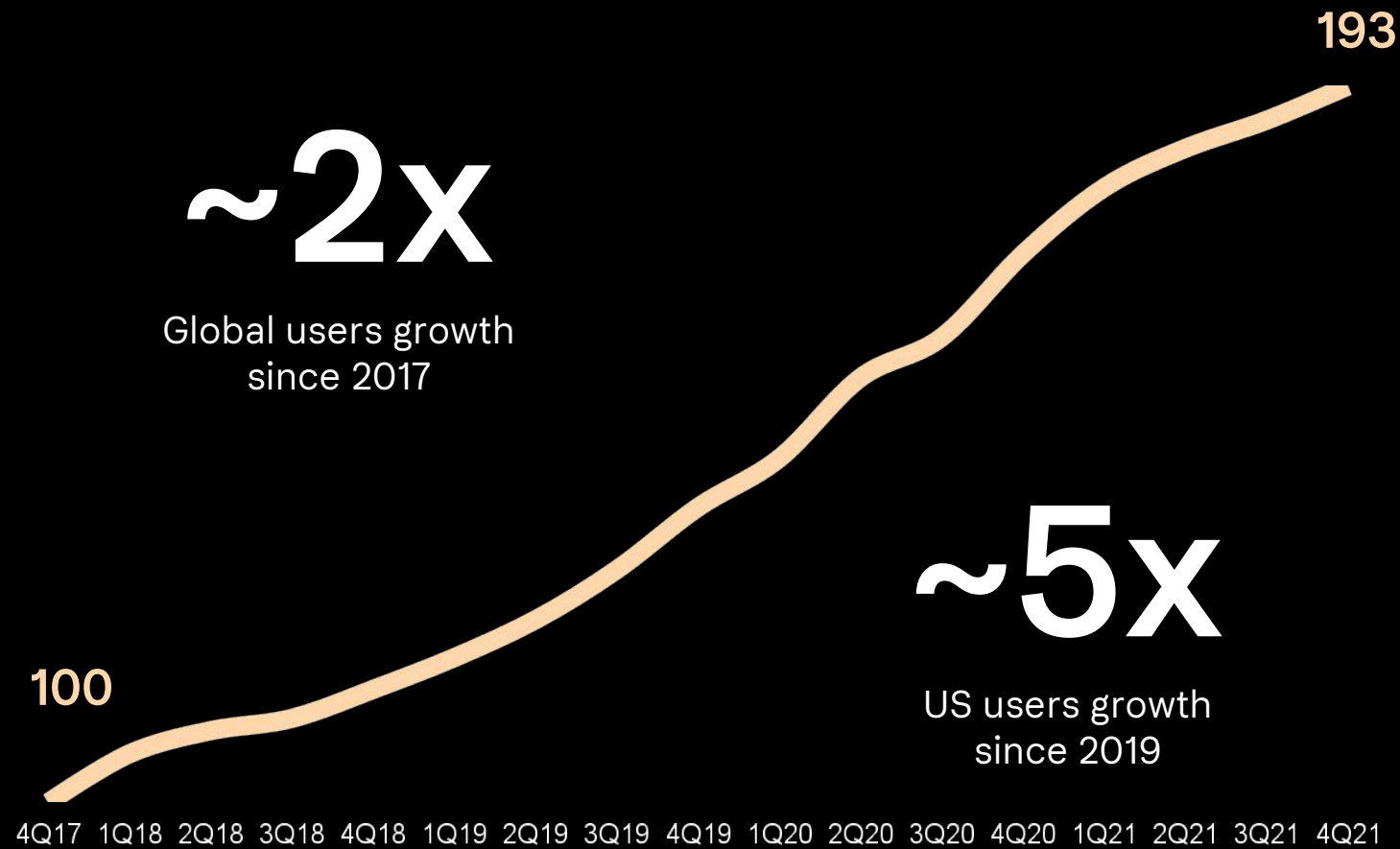
<sup>2</sup>Total monetary value of sold products and services through Klarna over a given period of time.



# Accelerating consumer acquisition and adoption...

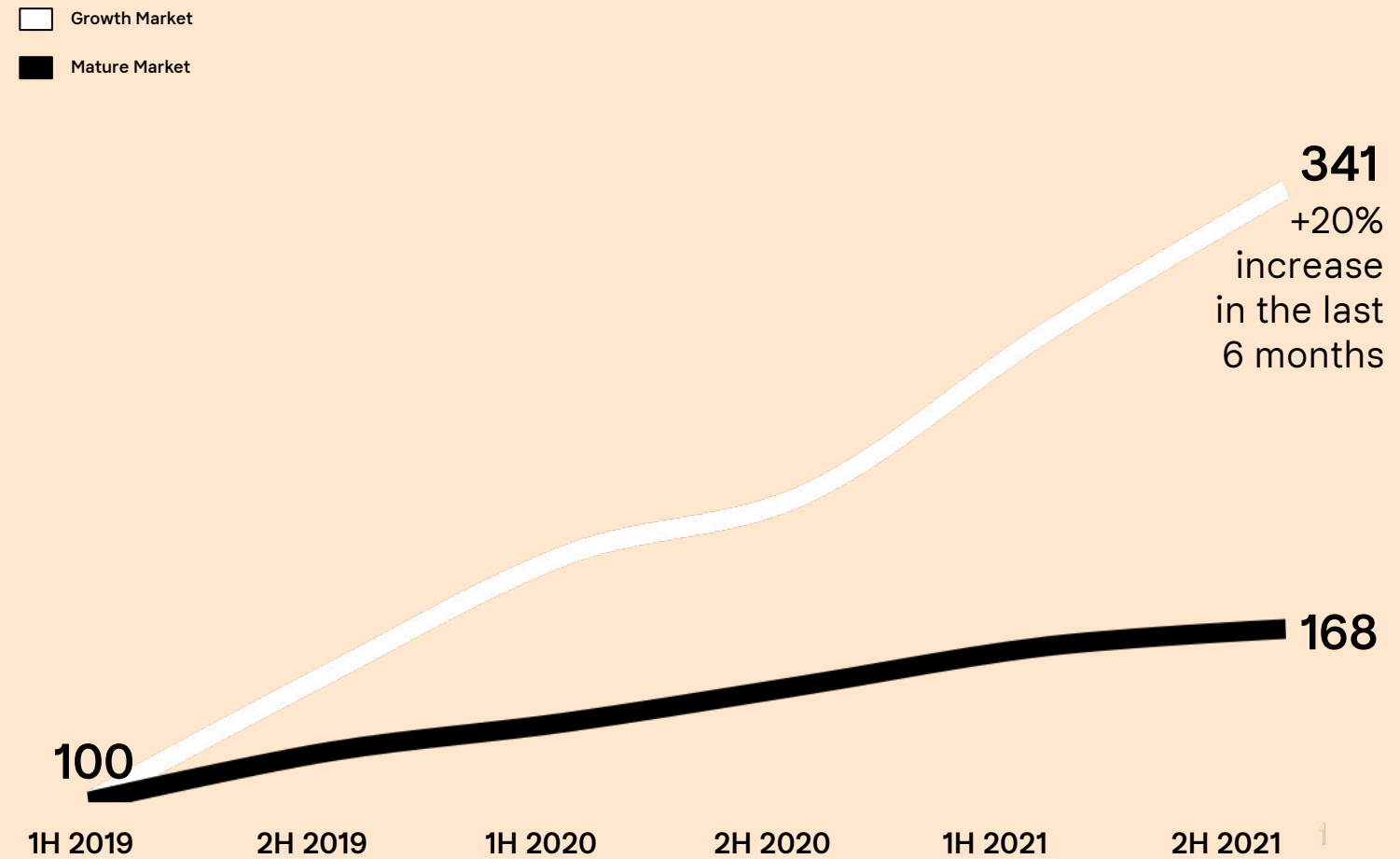
... across demographics as consumers seek sustainable forms of credit.

### Indexed Global Active Users (Quarterly)



# Consumers are shifting their spend to Klarna.

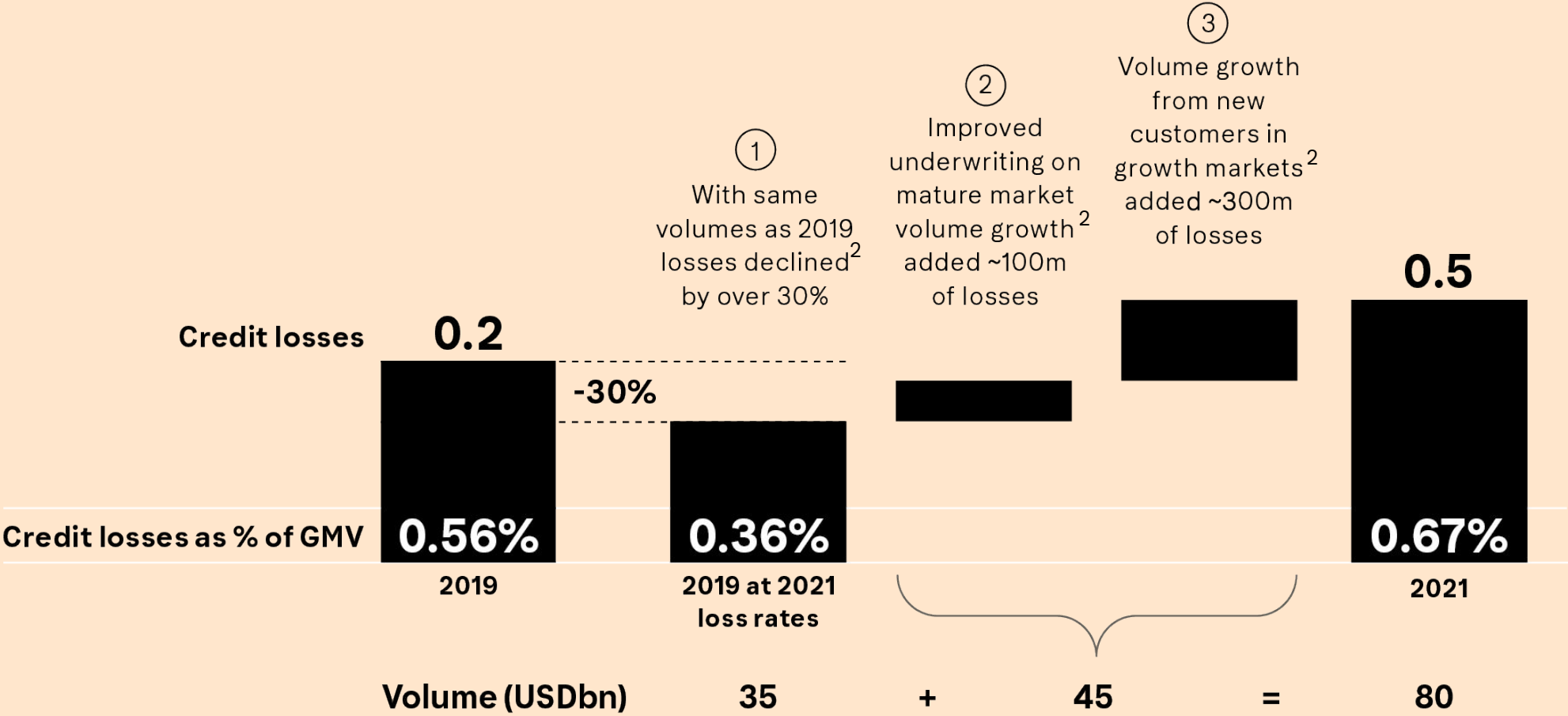
### Purchase Frequency Growth Index



# Losses at all time low.

If we had the same amount of volume from the same markets in 2021 as we did in 2019, then our losses would be over **30% lower**<sup>2</sup>. The increase in absolute terms of our credit losses comes from our successful growth in new customers and new markets.

## Credit losses USDbn<sup>1</sup>



<sup>1</sup> Klarna's results are reported in SEK. To arrive at USD values, the average exchange rates for 2019 and 2021 have been used; 1 USD equals approximately 9.5 SEK for full year 2019, and 1 USD equals approximately 8.6 SEK for full year 2021.  
<sup>2</sup> Credit losses comparison between 2019 actuals and "2019 at 2021 loss rates", where the latter has been calculated applying, at country level, 2021 credit loss rates to 2019 merchandise volume. Volume growth impacts (~100m and ~300m) calculated applying, at country level, 2021 credit loss rates to the 2019-2021 volume growth.

Losses are a direct result of our expansion and the increased volume of new consumers, rather than a deterioration of the portfolio.

**+45bn**

Gross merchandise volume growth since end of 2019

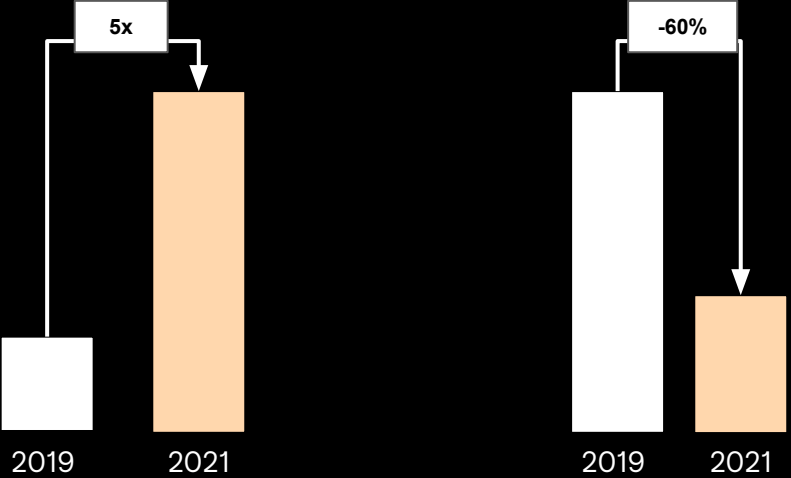
**10**

New Markets since end of 2019

### In the US, since end of 2019...

We massively increased our number of users...

...while decreasing credit losses by 60%.



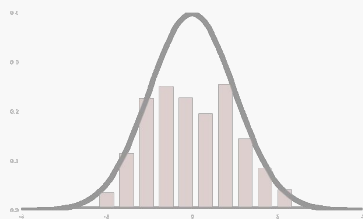
Number of users

Credit Losses as % of GMV

# All kinds of people are using Klarna.

In our most mature markets, our users account for up to **~80%** of the total adult population. Therefore there's no typical Klarna consumer. They are:

## From all income levels



Klarna consumers earn according to average income level distributions

## Using Klarna for different goods and services

From paying for gym class to train tickets, Klarna is used across

**15+** different verticals

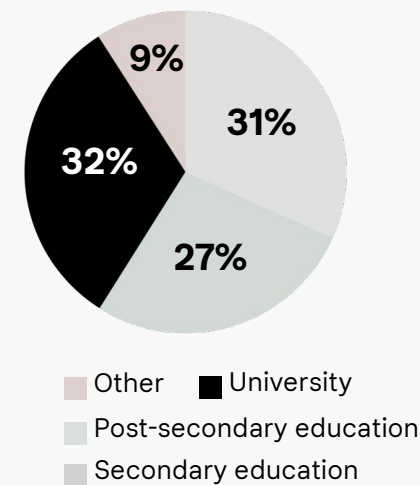
## Both men and women

**40%** of users are men

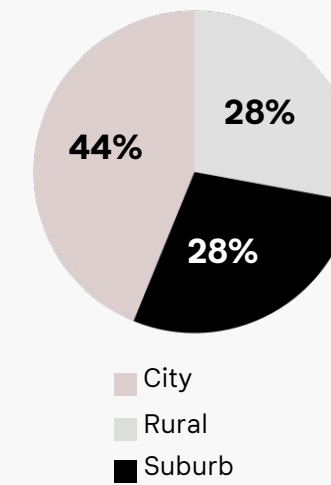
## Responsible credit users

**\$70** is the average outstanding credit balance per consumer, vs **\$2,200** for credit card users

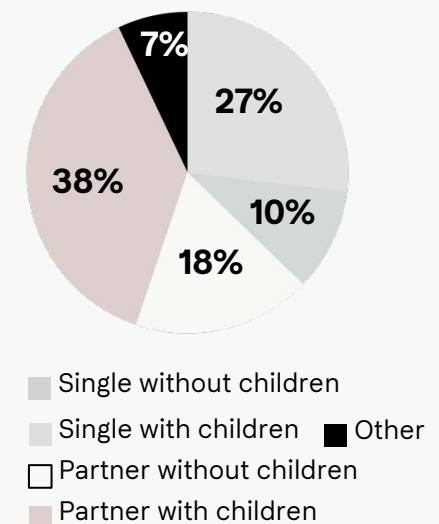
## From all educational backgrounds



## Living in all areas



## In all stages of life



### Students

**Age:** 24, Gen Z

**Reason for using Klarna:** A master's student who is an active environmental sustainability advocate. Uses the Klarna app when shopping to access a variety of sustainable brands and retailers.

**Favorite feature:** CO2 tracker and circular shopping feature in the Klarna app.



### Retirees

**Age:** 72, Baby Boomer

**Reason for using Klarna:** Doesn't feel fully confident when shopping online. As a result, appreciates the sense of security when using Klarna and not having to provide card details to merchants.

**Favorite feature:** Buyer protection.



### Professionals

**Age:** 40, Millennial

**Reason for using Klarna:** Cash conscious, and likes to be in control of spending and finances. Tends to travel a lot for work and appreciates the fair terms Klarna offers when spending abroad.

**Favorite feature:** Banking services and zero foreign exchange fees on purchases abroad.



# All types of retailers partner with Klarna.

## 400k+

Global retail Partners across **15+verticals**

## 65k

SMBs joined Klarna in 2021

## stripe

Partnership giving access to millions more SMBs

CURRENT

H&M

RALPH LAUREN

VANS

SAMSUNG

SONOS

ASOS

SEPHORA

Etsy

BEAUTYCOUNTER

Calvin Klein

★macy's

NEW

PlayStation

ebay

NET-A-PORTER

OLAPLEX

HONEST

PRABAL GURUNG

BED BATH & BEYOND

storytel

HAUS LABORATORIES

DF

PANDORA

lululemon

MR PORTER

Nike

Dickies

JBL by HARMAN

BUILD-A-BEAR EST. 1997

Booking.com

# The US is Klarna's fastest growing key market.

## #2

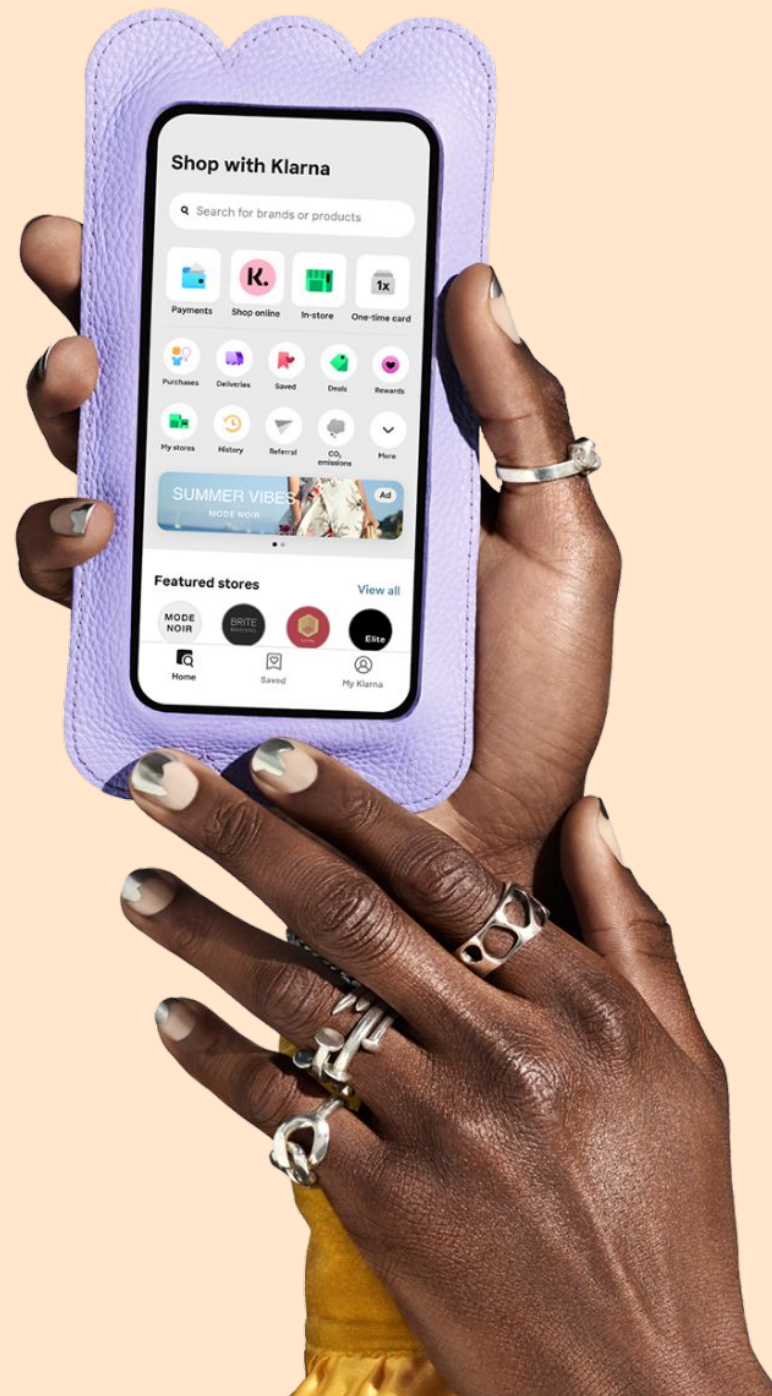
Largest market by revenue

## 25m

Consumers

## 30

Top 100 retailers live with Klarna payment services



## 3x

2021 GMV vs 2020

## 500k

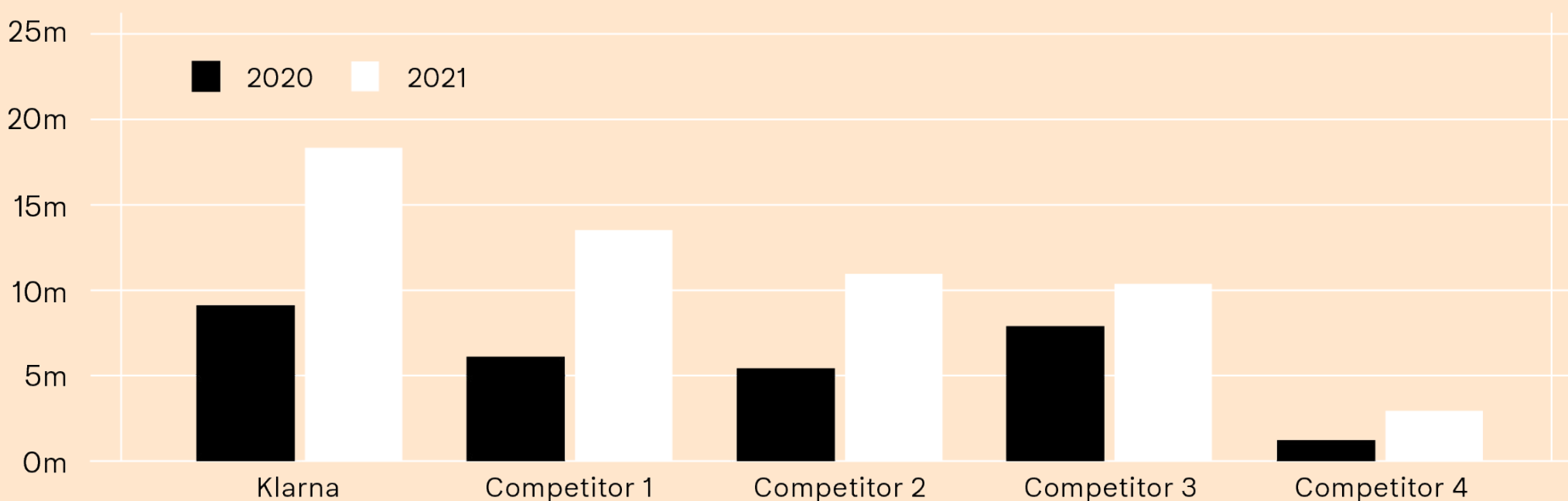
On Klarna card launch waitlist 5 days after launch

## Pay Now

Live online and in-store

# Klarna app is the single largest volume channel.

## US APP DOWNLOADS



The Klarna app is now the single largest driver of GMV across the Klarna ecosystem, fuelling growth for Klarna and its retail partners through consumer acquisition and referrals. It is the second fastest-growing app on a downloads basis 5 compared to major global payments peers.<sup>1</sup>

<sup>1</sup> AppAnnie, 2021,

<sup>2</sup> Apptopia, 2021

# 40%

US share of global app downloads

# Top 10

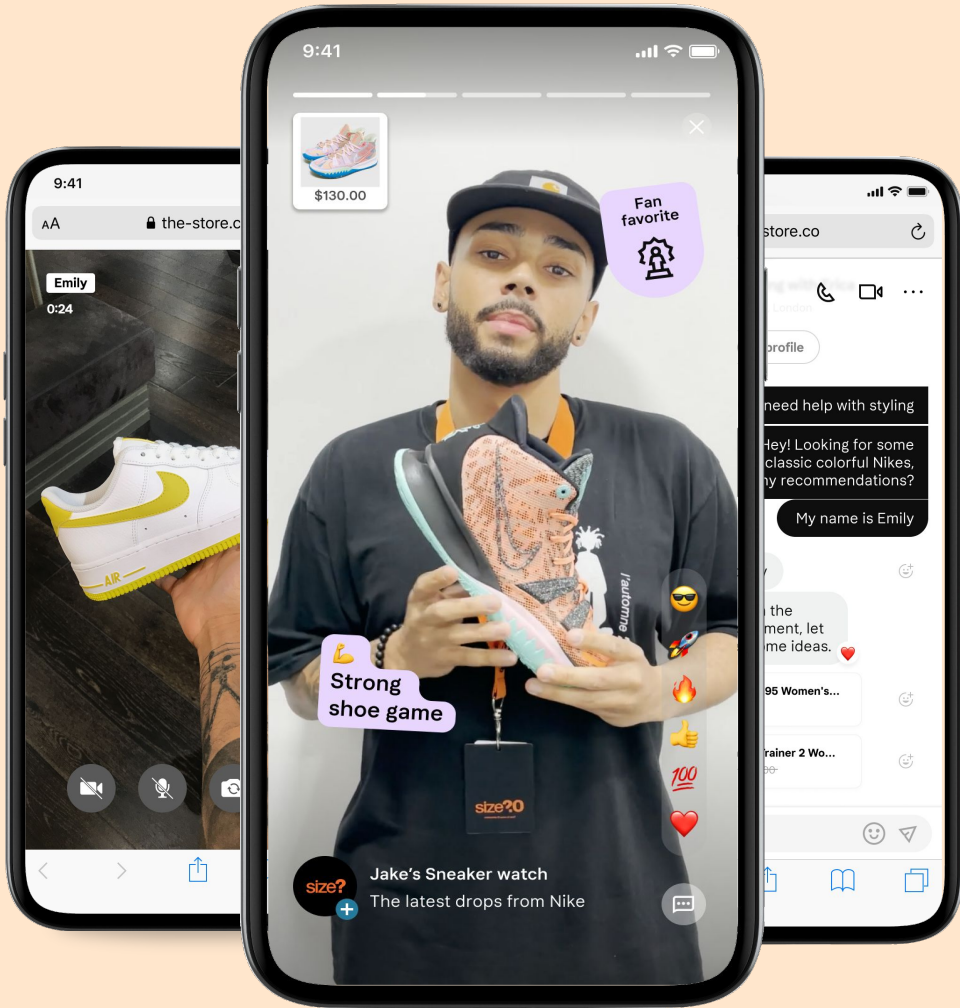
US shopping apps 2021<sup>2</sup>

# 3X

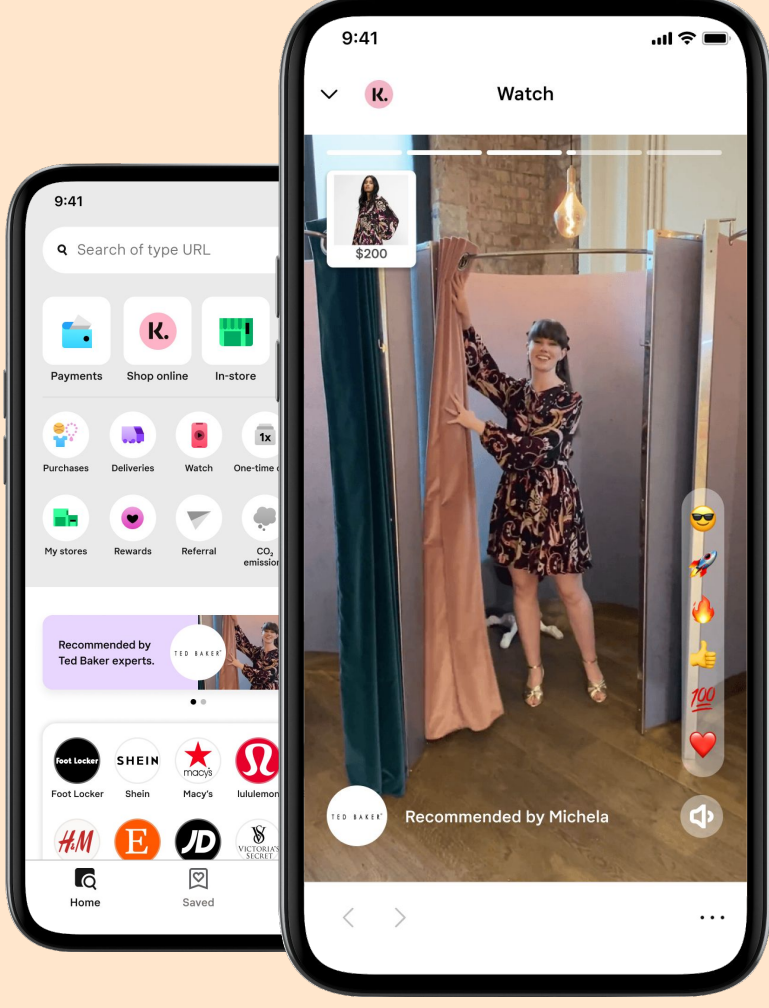
App users purchase frequency vs non-app users



# Supporting retailers and consumers through the entire shopping journey.



Connecting shoppers in a social way



Bringing the in-store experience online

301m

Clicks to retailers

45

Top 100 US retailers live with Klarna advertising services

2021 acquisitions

Hero connects consumers to retail experts.

Toplooks delivers AI-driven content creation tools to provide retailers with personalization capabilities and nearly unlimited shoppable content.

APPRL allows content creators and retailers to work together frictionlessly to design immersive and informative shoppable content.

# Shop Everywhere with Klarna.

# 170%

Growth in in-store volumes  
In 2021

Accelerated demand across  
Klarna's in-store products

# 11

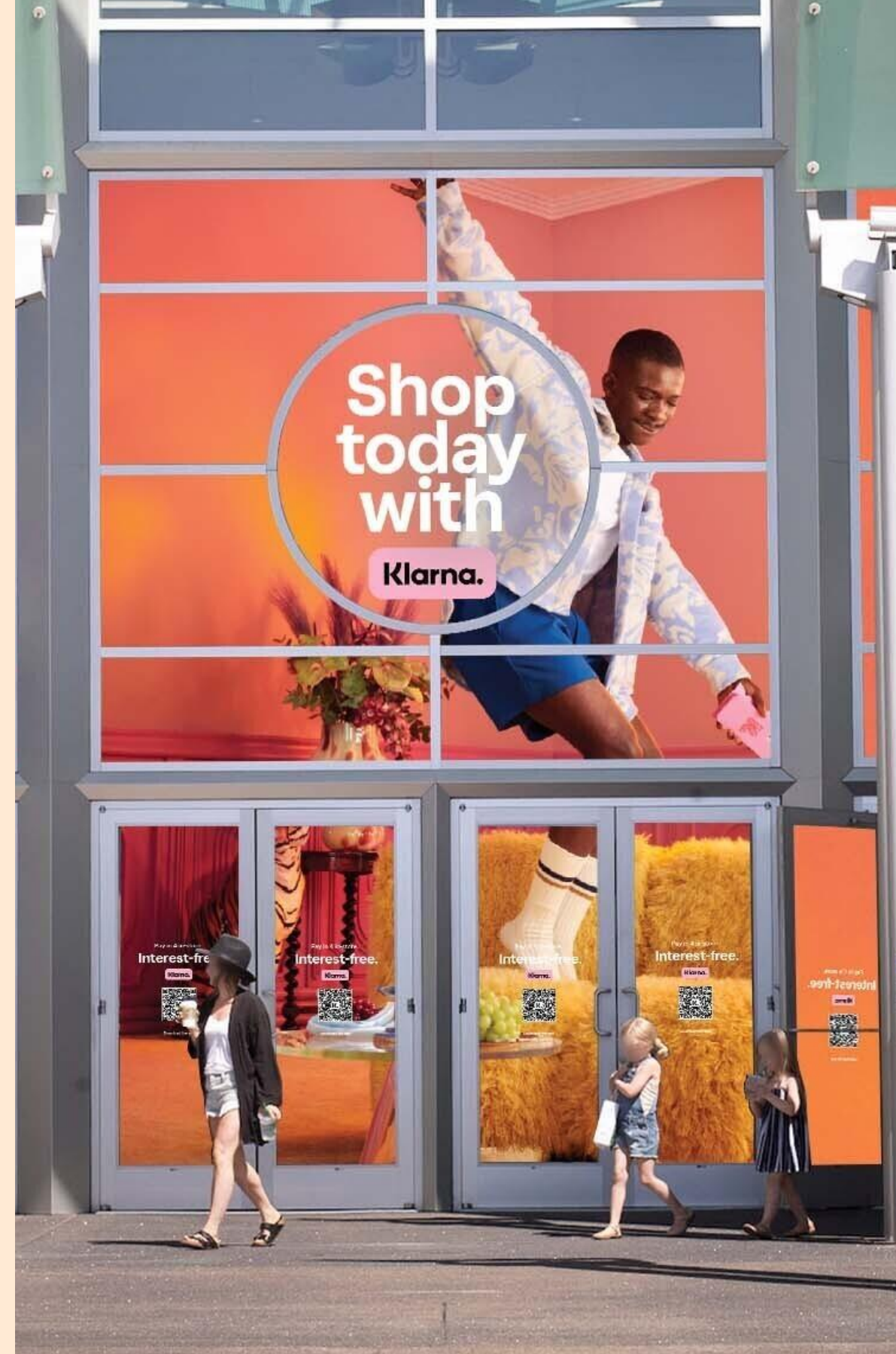
Countries live with  
H&M in-store

One preferred partner for global retailers to  
deliver growth across channels and markets

# 300+

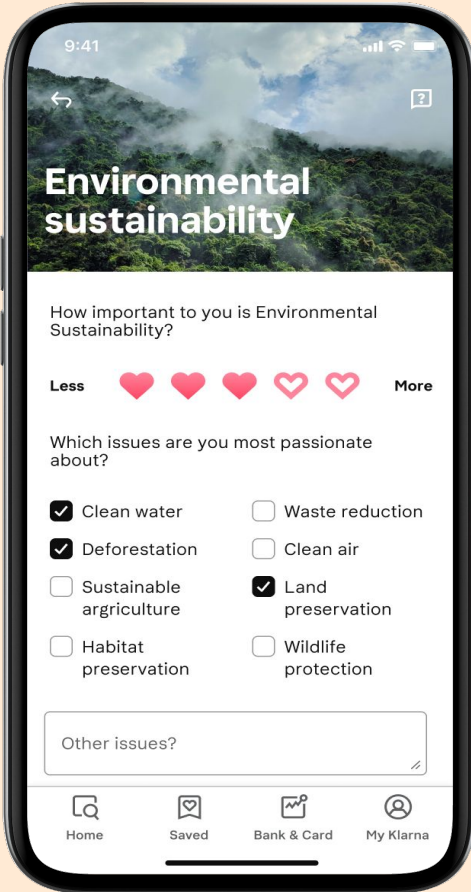
Major US shopping  
malls live with Klarna

Innovative partnerships with major retail  
destinations, putting Klarna in an  
enviable place in the shopping journey

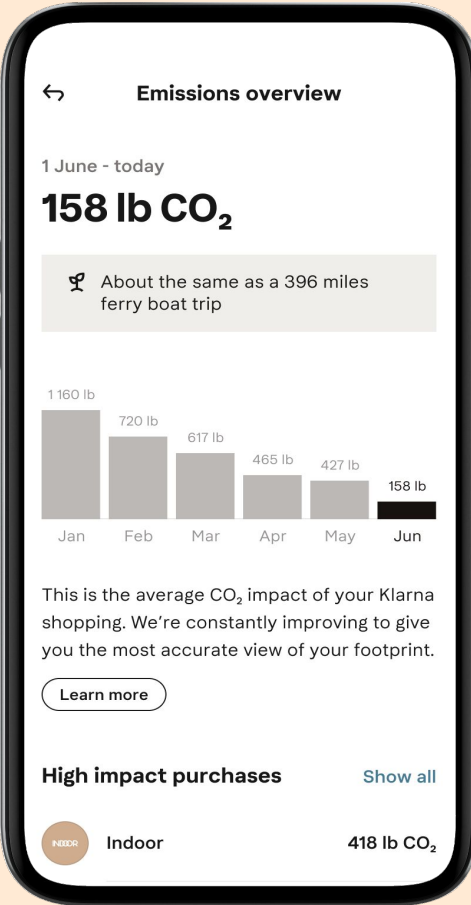


# Sustainability.

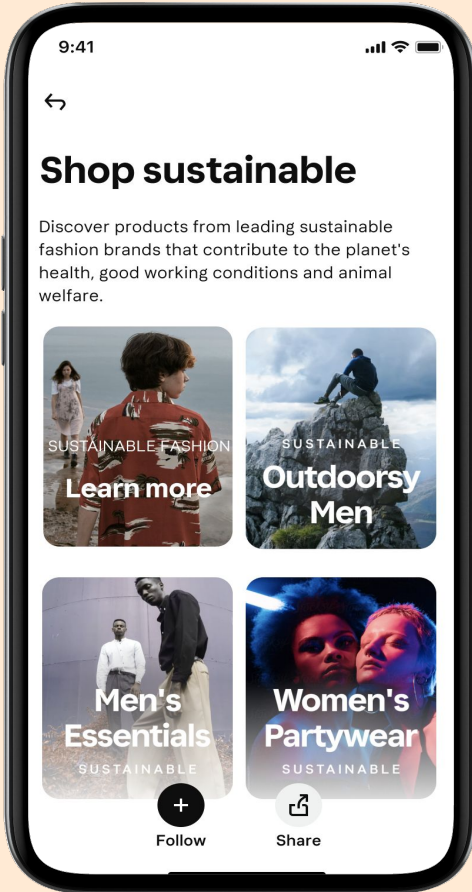
In 2021 we pursued 3 big ideas on how we can help the world become more sustainable.



Help consumers to live up to their values.



Offer consumers CO2 insights for all shopping purchases.



Curated collections to promote sustainable brands and products.

Launched **Give One** - our promise to donate 1% of all funding rounds to help combat climate change and the loss of biodiversity. Today **we have donated over USD 16m**, which is just the start.

We make annual financial contributions to high-impact climate projects through our **Climate Transformation Fund**. In 2021, **we invested more than USD 1m in 11 projects** through our Climate Transformation Fund.

Our sustainability partner, Milkywire has enabled Klarna consumers to **donate over USD 1.6m to Give One causes** through our donation gateway at the end of checkout.

Launch of a **CO2 emissions tracker for our 100m consumers** to track their emissions based on their shopping through Klarna.

Launch of Sustainable Collections in collaboration with Good On You, **the world's leading sustainability rating platform for fashion brands** to help consumers find more sustainable brands.

A photograph of three men in suits. The man in the center is wearing a teal suit and has his hand on his chest. The man to his right is wearing a dark green suit and is holding the hand of the man in the center. The man on the left is wearing a light green suit. The background is dark and out of focus.

# Thank you.

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