



Klarna.

Disclaimer

IMPORTANT: You must read the following before continuing. The following applies to the confidential information in the presentation following this disclaimer, and you are therefore advised to read this carefully before reading, accessing or making any other use of the presentation.

THIS PRESENTATION IS CONFIDENTIAL AND DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER OR INVITATION TO SUBSCRIBE FOR, UNDERWRITE OR OTHERWISE ACQUIRE, ANY SECURITIES OF [KLARNA] (THE "ISSUER") OR ANY AFFILIATE OR SUBSIDIARY THERETO, NOR SHALL IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH, ANY CONTRACT TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES OF THE ISSUER ("SECURITIES"). ANY PERSON CONSIDERING THE PURCHASE OF ANY SECURITIES OF THE ISSUER MUST INFORM ITSELF INDEPENDENTLY BASED SOLELY ON ITS OWN DUE DILIGENCE AND JUDGMENT. THIS PRESENTATION IS BEING MADE AVAILABLE TO YOU BASED ON YOU NOT BEING A U.S. PERSON (AS DEFINED IN REGULATION S OF THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT")) AND BEING PHYSICALLY LOCATED AND RESIDENT OUTSIDE THE UNITED STATES WHEN RECEIVING THIS PRESENTATION, AND IS MADE AVAILABLE SOLELY FOR YOUR INFORMATION AND BACKGROUND AND IS SUBJECT TO AMENDMENT. THIS PRESENTATION (OR ANY PART OF IT) MAY NOT BE REPRODUCED OR REDISTRIBUTED, PASSED ON, OR THE CONTENTS OTHERWISE DIVULGED, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON (EXCLUDING YOUR PROFESSIONAL ADVISERS) OR PUBLISHED IN WHOLE OR IN PART FOR ANY PURPOSE.

Much of the information herein is preliminary and subject to change and is also incomplete and does not constitute all the information necessary to adequately evaluate the consequences of investing. Additionally, while information herein has been obtained from sources believed to be reliable, no representation is made as to its completeness or accuracy. The information contained in this presentation has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the information or opinions contained herein. The information set out herein may be subject to revision and may change materially before closing. None of the Issuer or any of their affiliates or subsidiaries is under any obligation to keep current the information contained in this presentation and any opinions expressed in it are subject to change without notice. Prospective investors are solely responsible for making their own independent appraisal of and investigations into the products, investments and transactions referred to in this presentation, the advisability, suitability, and consequences of the same, and should not rely on any information in this presentation as constituting investment advice. None of the Issuer or any of its affiliates or subsidiaries is responsible for providing legal, tax or other advice and prospective investors should make their own arrangements in this respect accordingly.

The communication of this presentation may be restricted by law; it is not intended for distribution to, or use by any person in, any jurisdiction where such distribution or use would be contrary to local law or regulation. This presentation is not directed to or intended for distribution, or transfer, either directly or indirectly to, or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, transfer, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. In particular, neither this presentation nor any copy hereof may be sent, or taken, transmitted or distributed, directly or indirectly, in or into Australia, Canada, Japan, or the United States (including its territories and dependencies, any state of the United States and the District of Columbia) or to any resident of thereof. This presentation is only being provided to persons outside of the United States in reliance on Regulation S of the Securities Act. This presentation does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. This presentation is directed at (i) persons outside the United Kingdom, or, if this presentation is intended for distribution in the United Kingdom, (ii) solely to (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); (b) those persons falling within Article 49(2)(a) to (d) of the Order; or (c) those persons to whom it can otherwise be distributed without contravention of Article 21 of the Financial Services and Markets Act 2000 or to whom it may otherwise lawfully be distributed (each, a "relevant person"). In the UK, this presentation must not be acted or relied upon by persons other than relevant persons. Any investment or investment activity to which this communication relates is available only to (i) in the United Kingdom, relevant persons and, (ii) in any member state of the European Economic Area other than the United Kingdom, "qualified investors" within the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017. The distribution of this presentation in other jurisdictions may also be restricted by law, and persons into whose possession this presentation comes must inform themselves about, and observe, any such restrictions.

The information in this presentation is confidential and these materials contain confidential non-public and proprietary information. Any distribution of this presentation, or of any information contained in this presentation, to any person other than an original recipient (or to such recipient's professional advisors) is prohibited. Any reproduction of this presentation in whole or in part, or disclosure of any of its contents, without prior consent of the Issuer, is prohibited. This presentation remains the property of the Issuer and on request must be returned and any copies destroyed.

Any projection, forecast, estimate or other "forward-looking" statement in this presentation only illustrates hypothetical performance under specified assumptions of events or conditions. Such projections, forecasts, estimates or other "forward-looking" statements are not reliable indicators of future performance. Hypothetical or illustrative performance information contained in these materials may not be relied upon as a promise, prediction or projection of future performance and are subject to significant assumptions and limitations. In addition, not all relevant events or conditions may have been considered in developing such assumptions. Prospective investors should understand the assumptions and evaluate whether they are appropriate for their purposes.

This presentation may include figures related to past performance or simulated past performance. Past performance is not a reliable indicator of future performance. The Issuer disclaims any obligation to update their views of such risks and uncertainties or to announce the results of any revision to the forward looking statements made herein.

NOT FOR GENERAL PUBLICATION OR DISTRIBUTION.



Introduction.



Why Klarna, why now?

1.

Established in 2005, Klarna is a now fully licensed bank, enabling the next generation of retail banking.

The regulatory status yields significant benefits in terms of reputation and credibility towards investors, merchants and the general public where we need to fulfill qualitative and quantitative requirements.

2.

Klarna operates on a global scale.

We have the largest market coverage among our peers. We launched 4 new markets last year, and will launch 5 in the coming months, taking us to 19 core markets. We can execute at speed and with high impact.

3.

The best consumer offer.

We offer more payment methods, and more flexibility than any peer. We are the only provider that allows consumers to literally pay anywhere. As a result, we have 87m global active users and a wealth of proprietary data, including 2bn SKU level data points.

4.

Merchants are choosing Klarna.

We are already offered by 20 of US 100 top retailers, and by 650 of Germany top 1,000 retailers. Global brands chose Klarna as we are becoming a key source of consumer acquisition across multiple markets.

5.

Ahead of the game in becoming the super App in North America and Europe.

We leverage our superior position in payments and our wealth of data to become the preferred app for both shopping and banking. We have built an exciting shopping journey which drives further engagement, more data and new monetization opportunities. Our Klarna card and savings account are seeing great initial traction and we are launching current accounts too.

6.

Massive growth potential.

We have won consumer preference and a large share of checkout in all our established markets. Nordics and DACH are highly profitable. The US offers a substantially larger opportunity and we have unparalleled momentum. New markets further boost our growth.

One of the world's largest alternative payments provider.



The next generation of retail banking and super app of North America and Europe: Klarna is a reputable, fully licensed European Bank (since 2017). We have 3,600+ employees of which 1,400+ engineers.

INVESTORS

SEQUOIA  CommonwealthBank  SILVERLAKE
VISA  atomico°  PERMIRA 
BESTSELLER  ANT GROUP 

87m

12 months active consumers

2m

transactions per day

28m

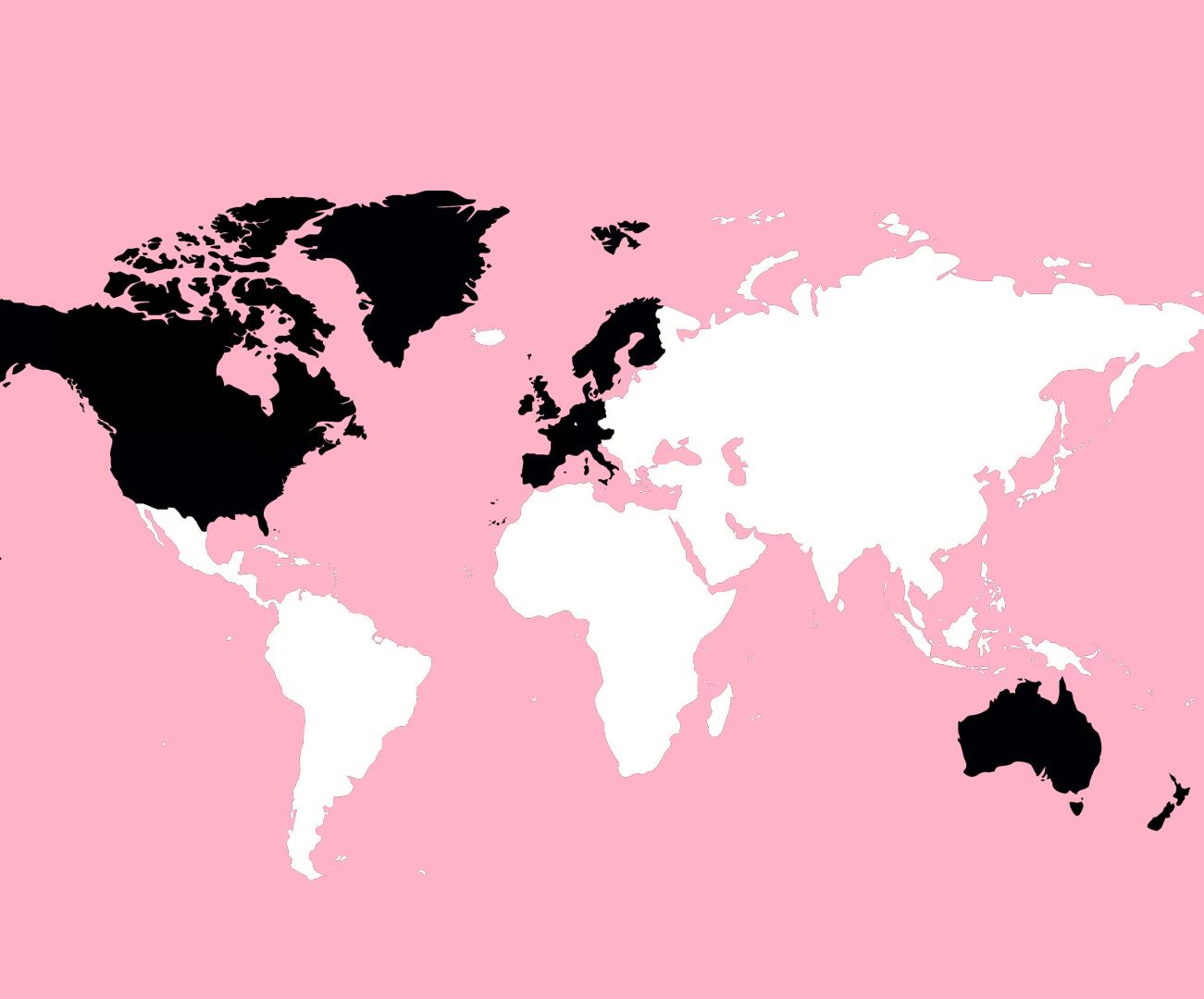
app downloads

250k+

retailers

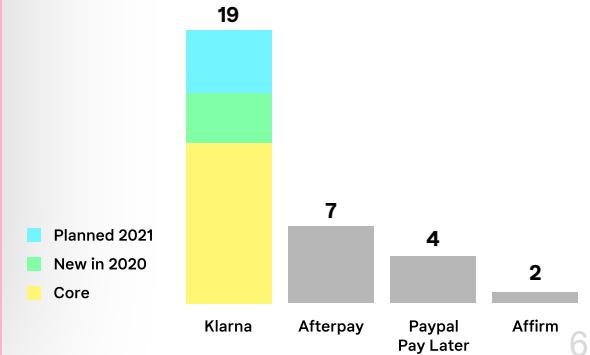
78k+

physical stores

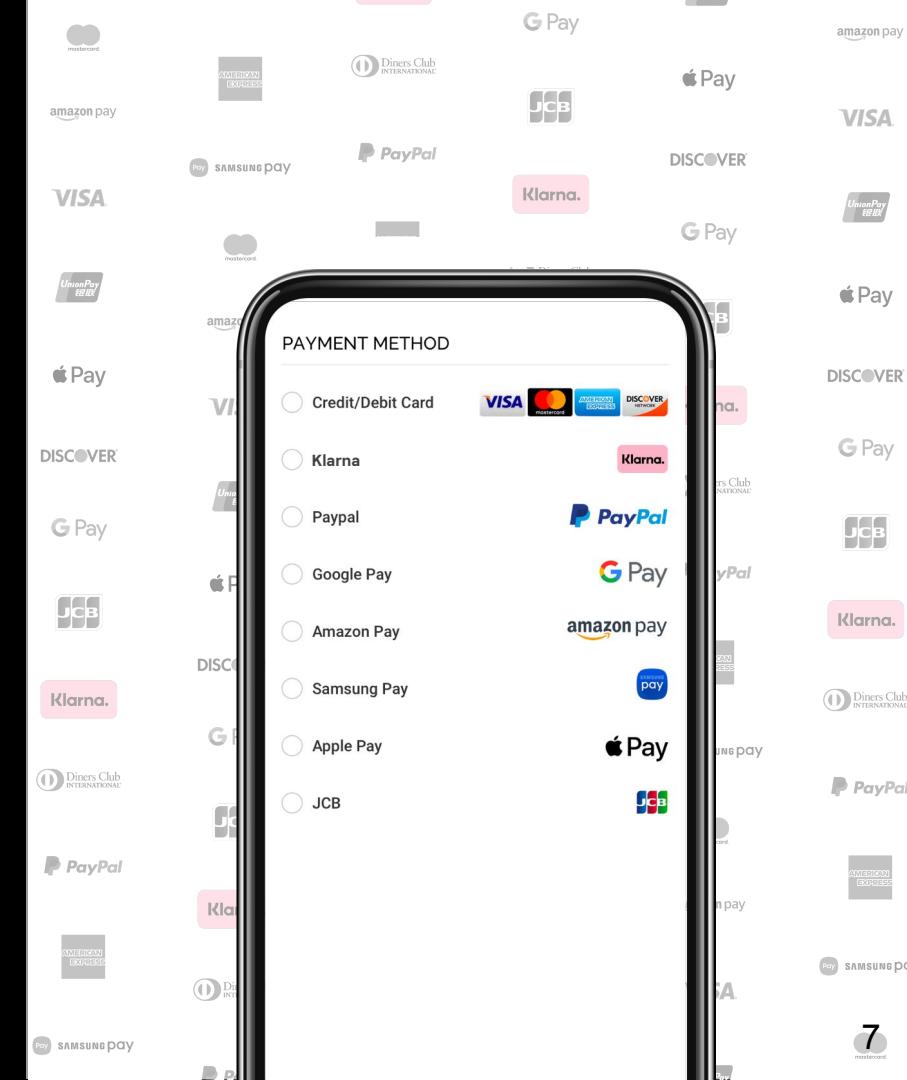


Three continents, 19 core markets

Launched 4 new markets in 2020,
launching *Canada, France, New Zealand,
Portugal, and Ireland* in 2021.



Why would you click that pink button?



A photograph of a desert landscape at sunset. The sky is filled with warm orange and red hues. In the foreground, there are several small, brown rabbits resting on the dry, reddish-brown ground. There are also some small, scrubby bushes and a few larger cacti, including a prominent barrel cactus on the right side.

Engaging brand.
Superior product.
Ubiquity.

71%

of US millennials
would rather go to
the dentist than
their bank

Source: Forbes, 2017

An industry that
has lost touch.

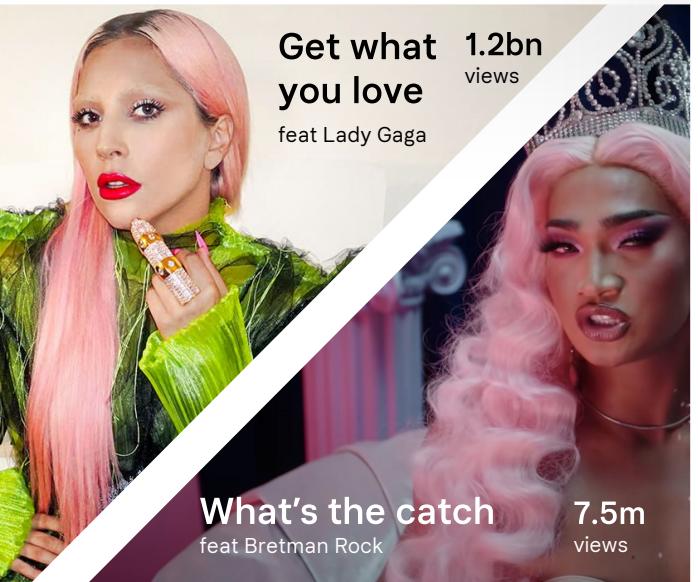


Klarna is the brand
for a new generation
of online shoppers.





Our brand campaigns and partnerships see stunning shopper engagement.



A photograph of a desert landscape at sunset. The sky is a vibrant orange and red. In the background, there are several large, reddish-brown rock formations. In the foreground, there is dry, brown ground with some small, spiky plants. Three rabbits are visible: one on the left, one in the center, and one on the right. The text is overlaid on the image.

Engaging brand.
Superior product.
Ubiquity.

Our product is quantifiably superior.

	Klarna.	PayPal	afterpay	affirm	
Number of markets	19	4*	7	2	
Browsing	Wish lists	✓	x	x	✓
	Merchant promotions	✓	x	✓	✓
	Price drop	✓	x	x	x
Buying	Pay in 4	✓	✓	✓	✓
	Pay in 30 days	✓	x	x	x
	Financing	✓	✓	x	✓
	Pay now	✓	✓	x	x
	In-store	✓	x	✓	✓
Post-purchase	Express checkout	✓	✓	x	x
	Loyalty program	✓	✓	✓	x
	Track shipments	✓	x	x	x
	Digital receipts	✓	x	x	x
	Support errands and returns	✓	x	x	x
	Snooze payments	✓	x	✓	x

Note: Not all features are available in all markets

* Markets where PayPal has launched Pay in 3 / Pay in 4 / PayPal Credit payments

Payment platform.

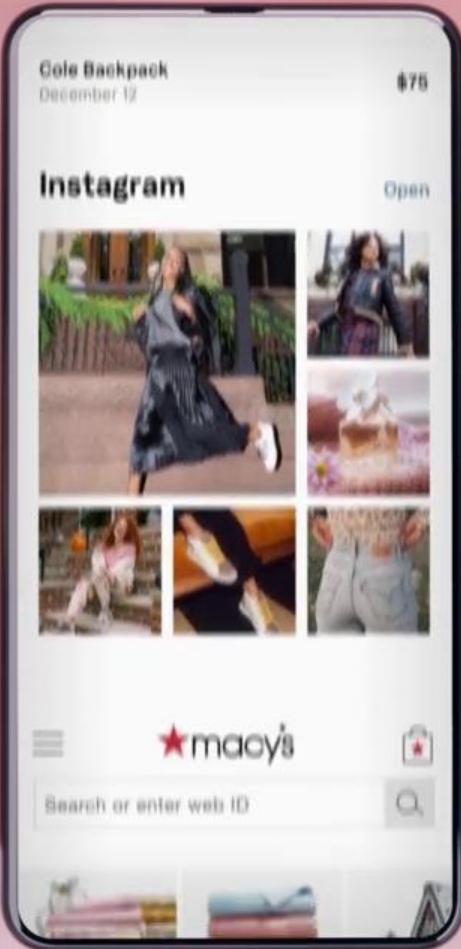
We have developed and launched the broadest range of payment options. We make them available at every merchant, whether directly integrated or not.

Engaging features.

Our features take consumers through the shopping journey through browsing, paying and post-purchase functionality.

A taste of our product.

For demo click play →



A photograph of a desert landscape at sunset. The sky is a vibrant orange and yellow. In the foreground, a small brown rabbit is resting on the dry, reddish-brown ground. There are some small, spiky purple bushes and a large green cactus on the left. On the right, there's another cactus and a large, dark rock formation in the background.

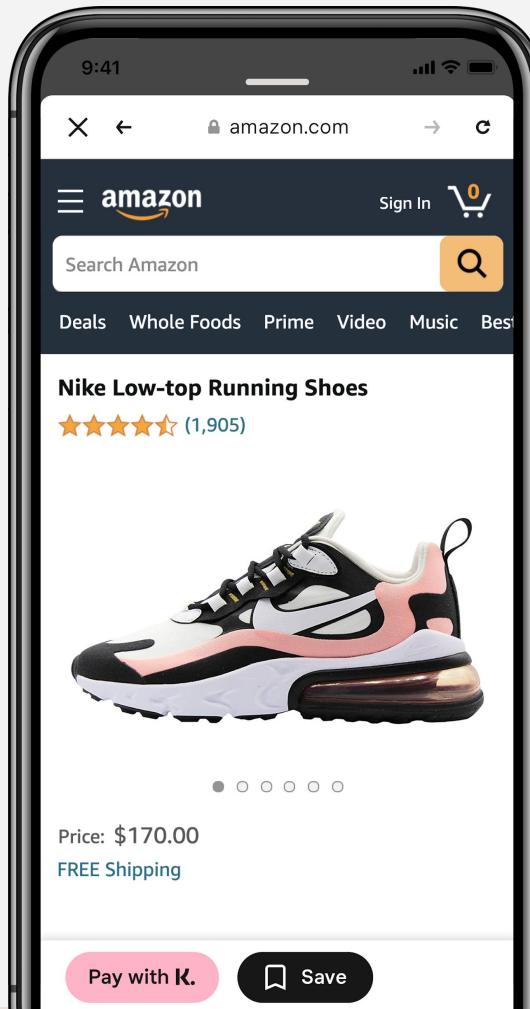
Engaging brand.
Superior product.
Ubiquity.

Shoppers can use Klarna everywhere.

Our **shopping app browser** is a **unique** and **differentiated** product for our consumers.

Shoppers can pay in any online store through our app. The shopper clicks on [Pay with K.](#) and can pay later at any store with a one-time card. **Merchants do not need to be integrated with Klarna.**

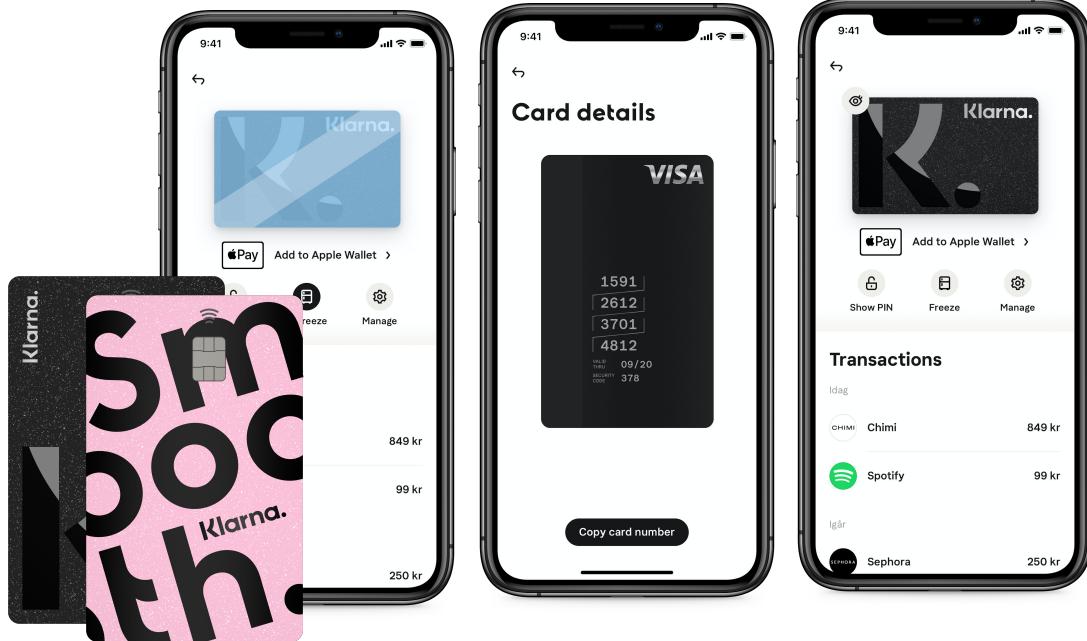
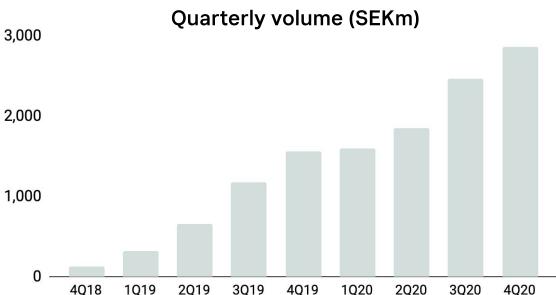
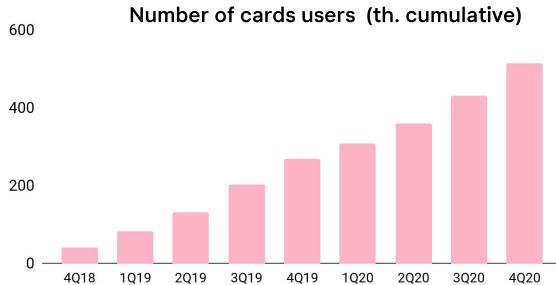
Shoppers can also pay with Klarna **in 78k physical stores** through Apple Pay or Google Pay, requiring no merchant integration.



The Klarna card enables consumers to buy everything with Klarna.

No matter how small. A coffee. A dinner. Your groceries. In the App store.

The card has been used in **182 countries**.

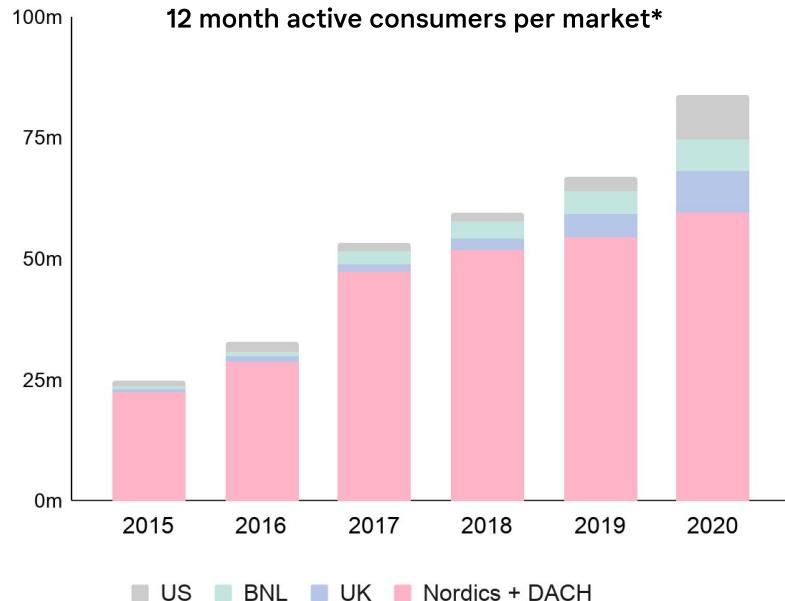


The background of the slide features a photograph of a desert landscape at sunset. The sky is filled with warm orange and yellow hues, transitioning into a darker blue at the top. In the foreground, there are several large, dark green cacti. The middle ground shows dry, brownish-yellow grass and small shrubs. In the distance, massive, layered red rock formations rise against the horizon, their colors deepening as they recede.

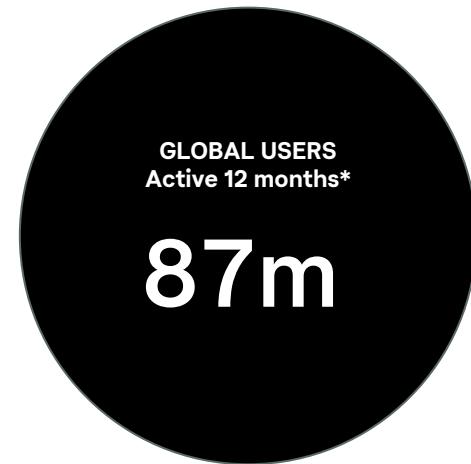
+ Engaging brand.
+ Superior product.
+ Ubiquity.
= Consumers.

Engaging brand = Massive number of new consumers.

Even in markets where we've been present for over 10 years we're still growing fast. We have competed very successfully against PayPal in Germany where we have taken a significant share of checkout. The potential to scale in our new markets is multiple times greater.

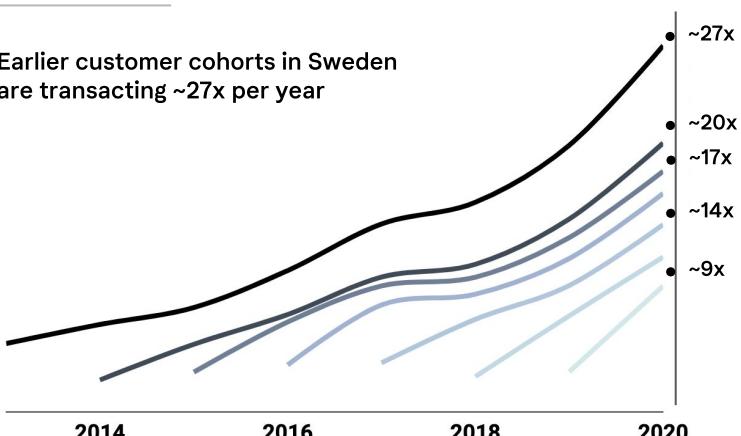


*Logged in to the App and/or made a payment on an existing order and/or made a purchase with Klarna



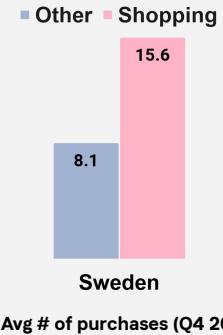
Superior product = High engagement with Klarna.

Consumers join us for our payments, but they love us for our features. Sweden is our most mature market and we've seen a consistent increase in frequency on a cohort by cohort basis and an acceleration as we've matured. Other markets are younger, but show similar trends.



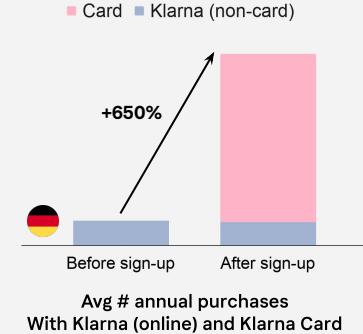
In focus: Shopping browser

Shopping users are those who transact directly through our app (in addition to directly through merchant or exclusively). As we allow them to access a broader range of consumers, they transact more frequently with us.



In focus: Klarna Card

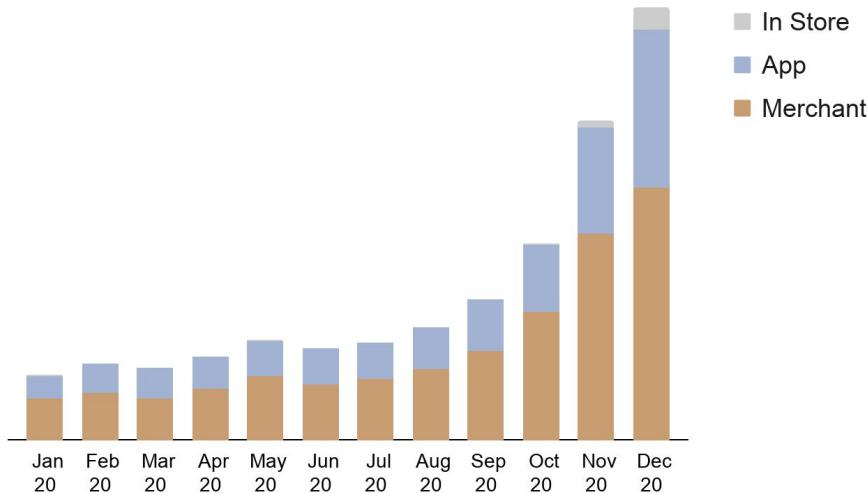
The Klarna Card drives a material increase in engagement as consumers use it for everyday purchases with control over what they Pay Now or Pay Later. Greater engagement also provides us with additional data.



Ubiquity = Consumers can always chose Klarna and they do.

By making Klarna available everywhere through merchant checkout, our app, our cards or our bank accounts, we make sure we are there for the consumer when they need us. They then are more likely to chose us when given a choice. This strengthens our network effect and ability to further grow both our merchant and consumer networks, as well as increase engagement.

US gross merchandise volume for consumers transacting through the merchant check-out, our app or In-store.



40% of GMV on our platform was transacted through our app in December, during a period of material merchant volume growth. The Klarna App has a strong endorsement of the appeal of our shopping app for US consumers with **over USD 2.6bn in annualized gross merchandise volume**. We are rolling out our shopping app to all markets.

**Why would you,
as a merchant,
offer the pink
button?**

What does Klarna offer merchants?

- Increase in conversion rates
 - Increase in Average Order Value (AOV)
 - Acquisition of new customers
 - Support for a high number of markets
- Increase in gross profit

Why do merchants prefer Klarna?



Merchants get access to the largest global audience.

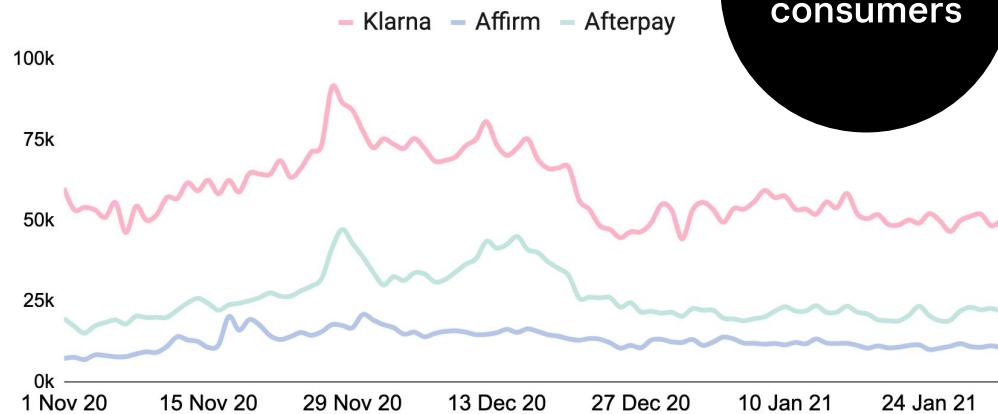
Supporting a high number of markets is key for our global merchants. Our 15 years of experience and breadth of markets has helped us develop strong execution abilities that both allow us to launch in multiple markets simultaneously and scale at high speed.

3-5x user adoption

Number of daily App downloads

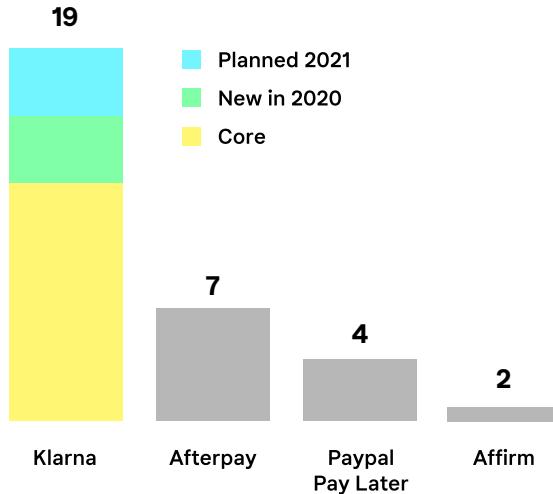


Souce: App Annie



87m active consumers

Number of markets supported



Proprietary unique data allows us to engage our audience with relevant content.

Our consumers are part of the most attractive demographics and we can target them with precision, leveraging our data.

36%

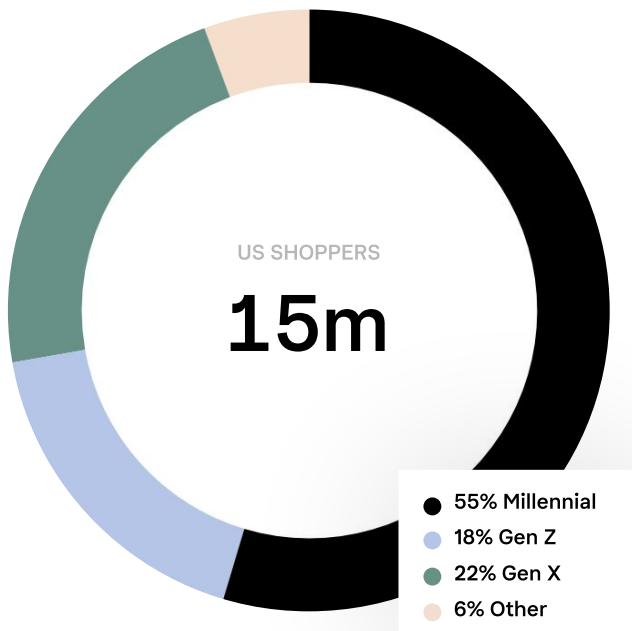
More purchases per customer per month than average.

25%

of orders made by new shoppers

\$160

Average order value



Shopper attributes: Demographics

Age Location Language
Gender Declared interest ...

Purchasing behaviour

Recency Frequency
AOV Payment methods ...

Shopper strength

Payment history Purchase power
Vantage Score Credit Score ...

Rich data-sets predicts future and purchase intent

Shopping patterns

- SKU-level history
- Product interest
- Brand affinity
- Order return rate
- Channel preference
- Brand loyalty

Price sensitivity

- Relative product price
- Deal engagement

Klarna app behaviour

- Saved items
- Wishlisted items
- Time spent browsing products
- Social sharing
- Campaign engagement
- Time to purchase

7m
wishlist items

3.5m
monthly active app users

SEPHORA x Klarna

360° campaign driving traffic, awareness, and conversion.

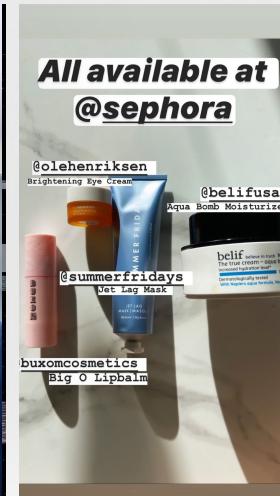
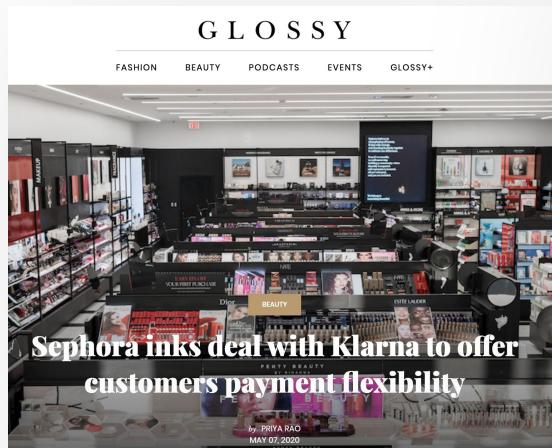
Key activities across both brands include paid media efforts, influencer partnerships, promotion within the Sephora app, and custom editorial content.

62m

Total Impressions

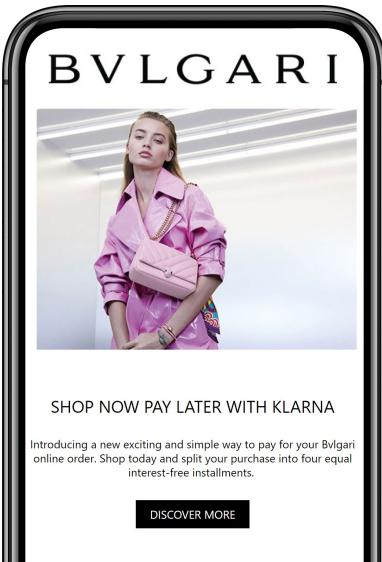
800k

Total Clicks



BVLGARI x Klarna

The Bvlgari x Klarna pink edition is a curated collection of accessories, leveraging the boldness of Klarna's pink branding and Bvlgari's luxurious products.



BVLGARI

THE MAISON STORIES HIGH JEWELLERY JEWELLERY BRIDAL WATCHES LEATHER GOODS ACCESSORIES FRAGRANCES GIFTS

BVLGARI X KLARNA PINK EDITION

GET INSPIRED

SHOP

DIVA MOMENTS

Personalize it

Personalize it

30

The page features a grid of 12 images showcasing Bvlgari x Klarna pink edition accessories. The items include a gold ring with a pink band, a pink quilted handbag, a pink necklace with a large pendant, a pink bracelet, and a pink leather belt. The images are arranged in a 4x3 grid, with some images having a heart icon in the top right corner. The overall aesthetic is elegant and modern, reflecting the partnership between Bvlgari's luxury and Klarna's innovative payment method.



+ Audience.
+ Relevant content.
+ Engaging creative.
= Lots of new sales.

Meaningful uplifts in conversion, customer acquisition and AOV.

General results

41%

higher AOV on Klarna purchases

20%

average increase in conversion

36%

increase in purchase frequency

44%

of users would have abandoned their purchase if 4 installments wasn't available

Retailers' results

TOMS
22%
average share of checkout

FWRD
52%
Klarna transactions for the brand's first time users

ASOS
48%
AOV increase

Good American
20%
average share of checkout

rue21
85%
AOV increase

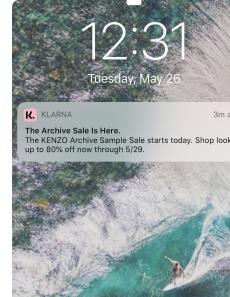
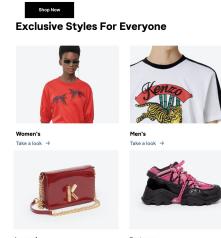
Sephora
38%
AOV increase



Shop the KENZO Archives.

It's kind of a big deal.

Shop the Kenzo Archives Sample Sale is live now through the 28th! You don't want to miss this!



Beyond the
pink button.



Klarna is on a mission to become the super app of North America and Europe.

Payments:

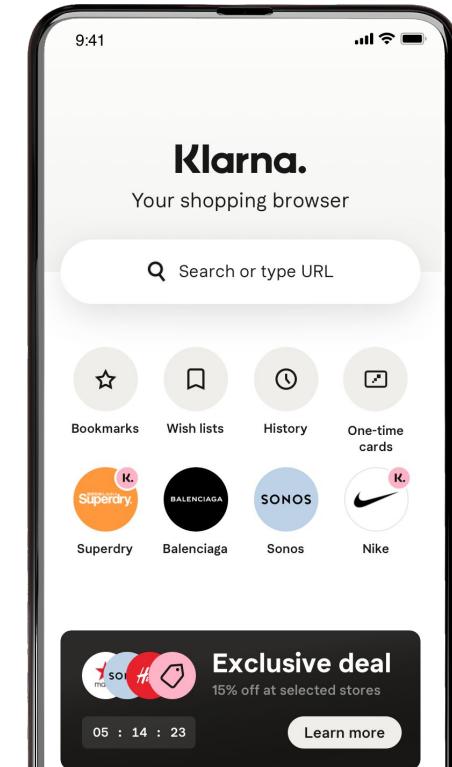
Our infrastructure. Ubiquitous through mobile payments and card.
Provides data and profit.

Shopping:

An exciting experience tailored to each consumer built on our wealth of data. Leads to engaging content, increased usage and more data. Potential to be a material revenue generator from affiliate and advertising, increasing consumer LTV.

Banking:

Our personal finance features have been popular for years. With our new current account we are supporting our consumers with their daily transactions. Our savings accounts minimize our funding costs, supporting our expansion.



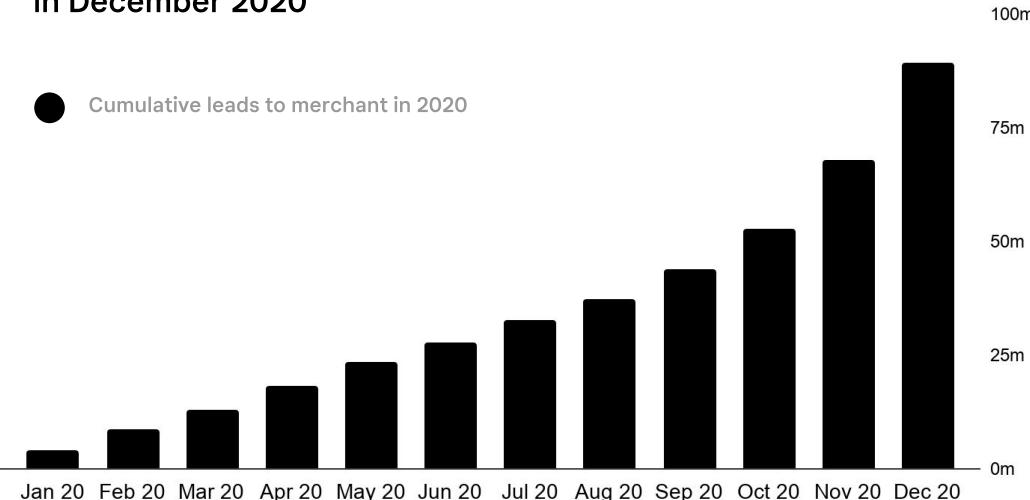
Powerful customer acquisition tool: we are now offering marketing ad products to our merchants and beyond.

We have started to generate material leads to merchants from our app.

695k

US daily leads to merchants
in December 2020

● Cumulative leads to merchant in 2020



464k
Monthly leads
09-2020



296k
Monthly leads
10-2020



224k
Monthly leads
10-2020

Our broader banking offer drives engagement.

We are building upon our loyal user base of consumers to launch our banking products. We launched savings accounts in Sweden last year and just launched bank accounts in Germany. It enables us to have touch points and data to support our consumers in every transaction.

Personal Finance: Live in SE, DE

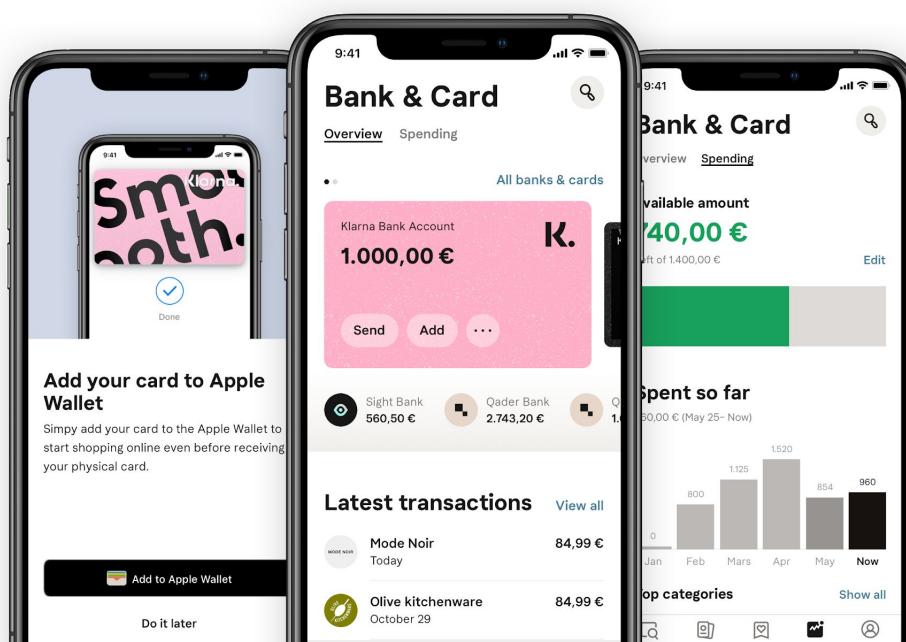
Giving our users a complete financial overview by enabling them to connect their banks and cards in the Klarna app and providing effortless financial controls to help them stay on top of their spending.

Klarna Bank Account: Live in DE

With the bank account we own ALL our consumers' payments. We expect it to drive new users to our app, drive engagement and be a trigger for additional in-app shopping.

Klarna Savings: Live in SE

A no-frills deposit account that has so far been an instant success to help us fund our growth.

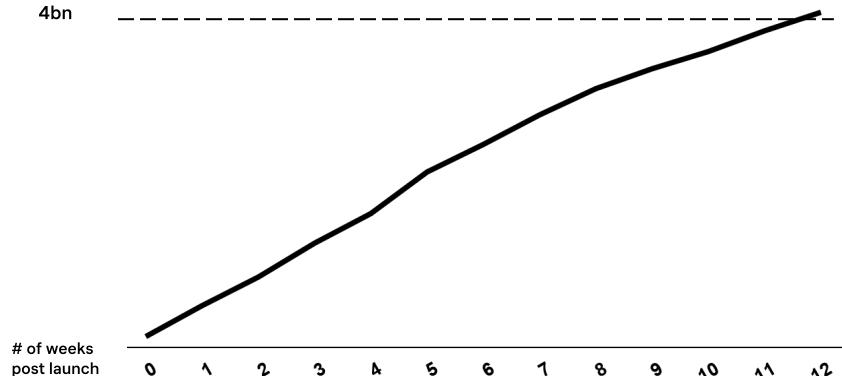


Our new savings accounts support our balance sheet.

We launched savings accounts in our app in Sweden in 2020 and they were instantly successful. We raised SEK 4bn in just 12 weeks. Our funding capabilities as a bank reduce our financing costs, enabling us to free up more profit to fuel our product and market expansion.

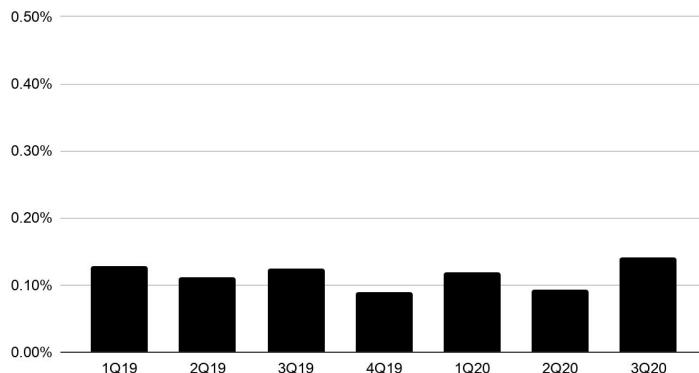
SEK 4bn saved through our new Swedish accounts within 12 weeks

Amount of SEK in deposit account (SE)



Our low net financial expenses allow us to direct more profit towards expansion relative to peers

Net financial expenses as % of GMV



Growth drivers.



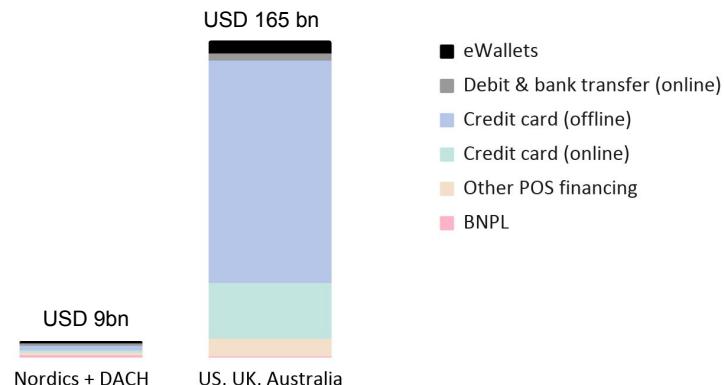
Our total addressable market is massive.

We are addressing the USD 6.5tn retail market in our main geographies, acting as a key customer acquisition channel and serving retailers' marketing and payment needs. The payments industry is USD 174bn in key markets. We have a growing ~10% share of Nordics and DACH which shows the potential in the USD 165bn US, UK and Australian markets.

We're tapping into the marketing budgets of the **USD 6.5tn** retail industry



The payment wallet share alone is a massive industry, multiple times bigger in our newer underpenetrated regions



Source: Euromonitor

Source: McKinsey

We have built massive businesses in our core markets.

60%

of Swedish population is an **active** user

54%

of e-commerce goes through Klarna in Nordics

#1

in the shopping app charts in the Nordics

60%

of all German checkouts include at least one Klarna payment option

23%

of German e-com market goes through Klarna

650

of top 1,000 German retailers are partnered with Klarna

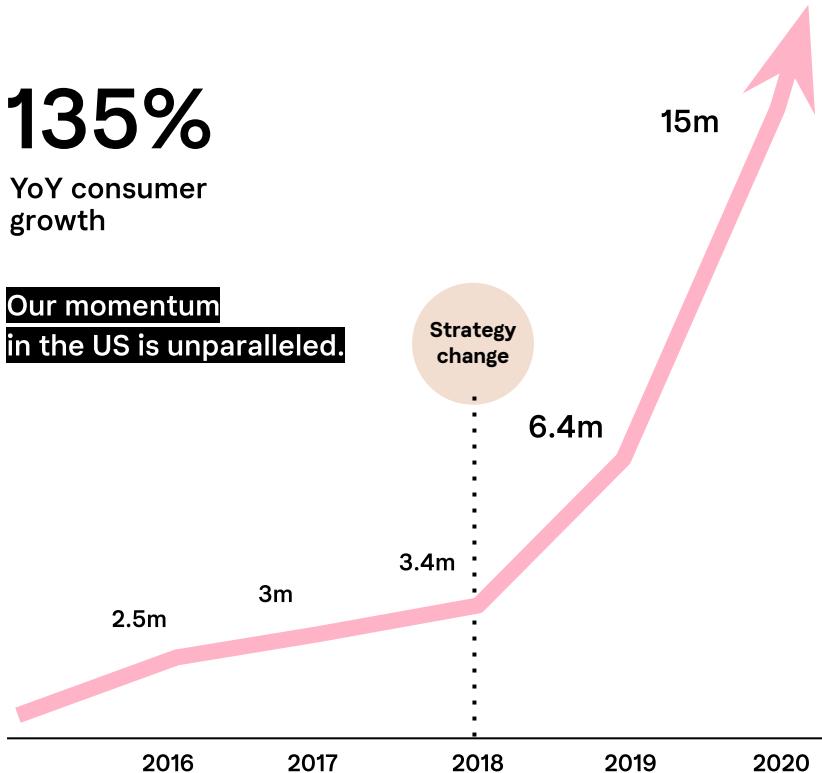
Source: McKinsey

The US will be multiple times larger than our current business today.

135%

YoY consumer growth

**Our momentum
in the US is unparalleled.**

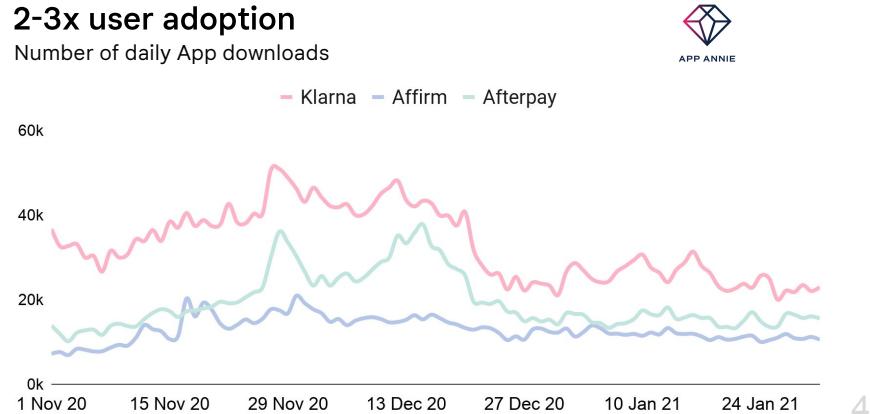


Number of merchants offering pay later in the Internet Retailer's Top 100 list:

20
Klarna.
12
afterpay \leftrightarrow
5
affirm

Data: Digital Commerce 360, 2020

2-3x user adoption
Number of daily App downloads

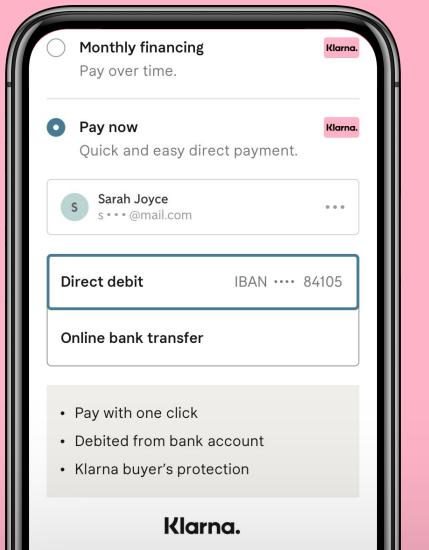


Financials.



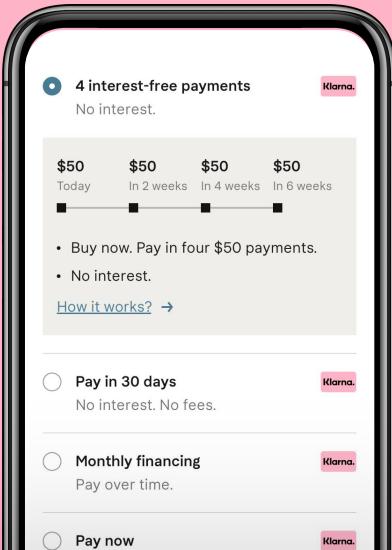
Merchant fees

We charge a fee per transaction. The level of fees depends on the duration of the loan and the level of risk. Merchant fees are highest relative to transaction value for interest-free Pay in 3 or 4 payment products. Pay Now carries lower merchant fees but essentially no associated risk.



Pay now

One click payment

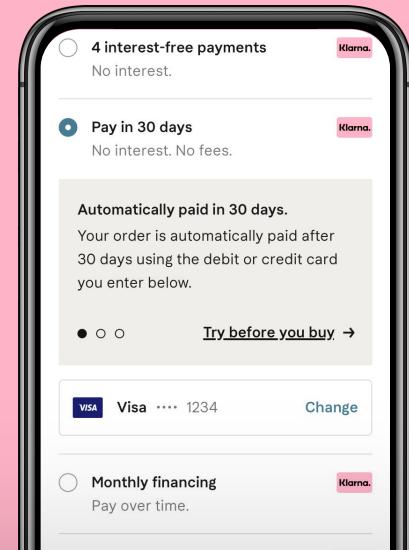


3 or 4 payments

Interest-free

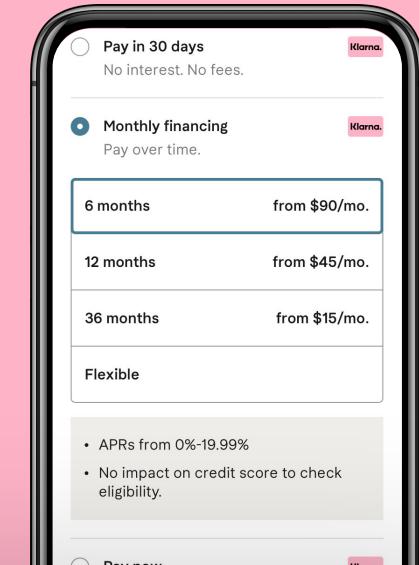
Consumer fees

Driven mainly by interest and monthly fees paid on our long term financing products, tilted towards the DACH and Nordic markets.



Pay in 14, 21 or 30 days

Interest-free



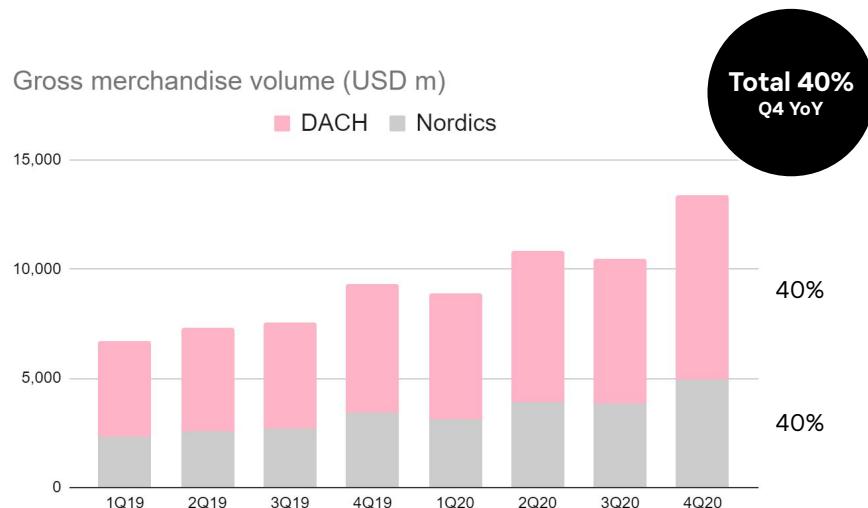
Financing

Interest bearing

Strong growth in established markets, massive opportunity in the rest of the world.

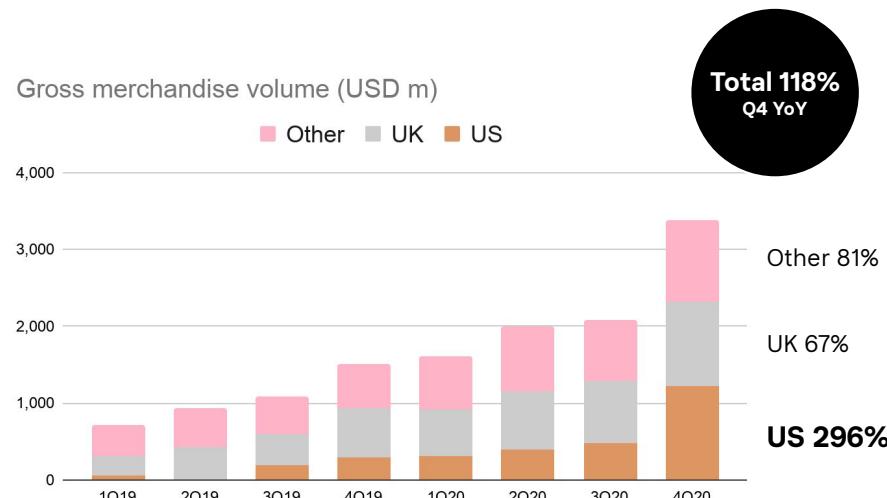
DACH & Nordics

- Market leading positions: e.g. Swedish 12 month actives of 6.2m make up 60% (!) of the population.
- Growing 40% having been active for 10+ years



US, UK, BNL & Other

- Our payment methods are highly underpenetrated but showing very strong initial adoption. We believe the US could sustain triple digit growth for 3-5 years.



Our momentum is accelerating.

Year-to-date YoY volume growth is 65%.

Volume growth per market Jan-Feb 2021

YoY	Jan 21	Feb 21*
DACH	55%	80%
Nordics	37%	68%
US	326%	286%
UK	60%	95%
Rest	83%	123%
Total	59%	87%

*First 10 days of February

Merchant revenues growing faster than volumes,
becoming larger as share of total revenues



*First 10 days of February

Merchant revenue growth continues to outpace volumes

- Consumers are shopping with interest free payments in greater volumes; we are supporting this shift by prioritizing Pay Now and Pay Later products ahead of Financing.
- We are committed to helping consumers pay on time, as proven by Swedish reminder rates halving between 2015 and 2020.
- Looking forward, the rapid increase in merchant-funded transactions increases our capacity to continue to reduce consumer fees at an even faster rate.

Highly profitable DACH and Nordics fund US expansion and hyper-growth markets.

We will release FY results before the end of February.

Nordics & DACH	2020 SEKm	2020 Q1	2020 Q2	2020 Q3	2020 Q4
Volume	81,824	99,506	96,116	123,323	
YoY	29%	44%	35%	40%	
Revenues	1,878	2,043	2,035	2,409	
YoY	19%	22%	19%	26%	
Net consumer losses	-263	-260	-202		
Financing costs	-90	-78	-120		
Other cost of services	-175	-206	-232		
Gross profit	1,349	1,498	1,480		
Margin	72%	73%	73%		

US, UK, BNL & Other	2020 SEKm	2020 Q1	2020 Q2	2020 Q3	2020 Q4
Volume	14,845	18,412	19,157	31,172	
YoY	118%	109%	87%	118%	
Revenues	488	612	608	958	
YoY	139%	145%	96%	125%	
Net consumer losses	-386	-216	-206		
Financing costs	-25	-31	-42		
Other cost of services	-164	-191	-186		
Gross profit	-87	174	174		
Margin	-18%	28%	29%		

US
+296%

Based on management accounts

End.

