

# Interim Report

January - June 2024

Klarna Holding AB (publ).  
Organization no. 556676-2356





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# Financial Performance

The information is presented for Klarna Holding AB (publ), if not otherwise stated.



Amounts in SEKm	H124	H123	YoY
<b>Gross merchandise volume</b>	<b>523,086</b>	<b>449,288</b>	<b>16%</b>
Transaction and service revenue	11,245	8,665	30%
Interest income from operating activities	2,024	1,819	11%
<b>Total revenue <sup>1</sup></b>	<b>13,270</b>	<b>10,484</b>	<b>27%</b>
Processing and servicing	(2,956)	(2,713)	9%
Consumer credit losses	(2,329)	(1,677)	39%
Funding costs	(1,672)	(926)	81%
<b>Transaction costs</b>	<b>(6,957)</b>	<b>(5,316)</b>	<b>31%</b>
<b>Gross profit <sup>1</sup></b>	<b>6,313</b>	<b>5,168</b>	<b>22%</b>
Technology and product development	(1,680)	(1,437)	17%
Sales and marketing	(1,258)	(1,419)	(11)%
Customer service and operations	(1,101)	(1,224)	(10)%
General and administrative (G&A)	(1,600)	(1,544)	4%
<b>Adjusted operating expenses <sup>1</sup></b>	<b>(5,640)</b>	<b>(5,624)</b>	<b>0%</b>
<b>Adjusted operating income (loss) <sup>1</sup></b>	<b>673</b>	<b>(456)</b>	<b>n.m</b>
- Depreciation and amortization	(778)	(850)	(9)%
- Share based payments	(148)	(238)	(38)%
- Restructuring and other	(33)	(341)	(90)%
<b>Operating income (loss)</b>	<b>(285)</b>	<b>(1,885)</b>	<b>(85)%</b>
Other income (expense)	24	(15)	n.m
<b>Income (loss) before income tax <sup>2</sup></b>	<b>(262)</b>	<b>(1,901)</b>	<b>(86)%</b>
Income tax	(71)	(189)	(62)%
<b>Net income (loss)</b>	<b>(333)</b>	<b>(2,090)</b>	<b>(84)%</b>

KPIs	H124	H123	YoY
Revenue take rate <sup>3</sup>	2.54%	2.33%	21 bps
Consumer credit loss rate <sup>4</sup>	(0.45)%	(0.37)%	(8) bps
Gross margin	48%	49%	(1) p.p
Adjusted operating margin	5%	(4)%	9 p.p
Operating margin	(2)%	(18)%	16 p.p

<sup>1</sup> Klarna uses several specific measures of financial performance that we believe are important as they reflect underlying business activity. This includes revenue, gross profit, adjusted operating expenses, and adjusted operating income (loss). A reconciliation of these metrics to the most directly comparable IFRS measure for Klarna Holding AB (publ) is presented on page 22.

<sup>2</sup> Income (loss) before income tax is defined as operating result in accordance with IFRS.

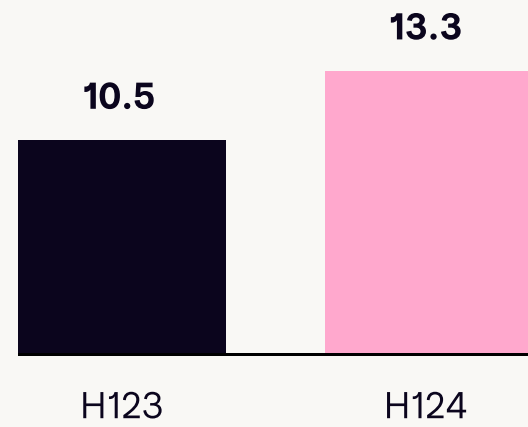
<sup>3</sup> Revenue take rate is defined as Total revenue divided by Gross merchandise volume.

<sup>4</sup> Consumer credit loss rate is defined as Consumer credit losses divided by Gross merchandise volume.



## Total revenue

SEKbn

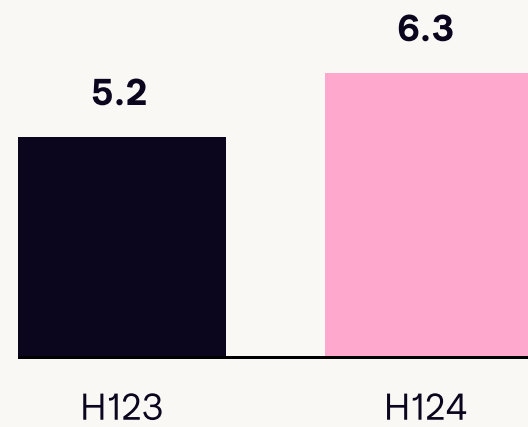


H124 YoY

# 27%

## Gross profit

SEKbn

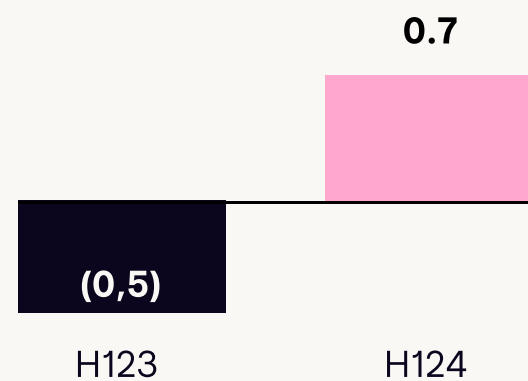


H124 YoY

# 22%

## Adjusted operating income (loss)

SEKbn



# SEK 1.1bn ↑





# Letter from the CEO

Dear Shareholders,

Klarna's massive global network of consumers and merchants is expanding rapidly, with continued success in the US as revenue grows 38% YoY in H124. Over 68k new merchant partnerships were established, supporting further engagement from our consumers, and driving strong revenue growth of 27% in H124. This led to SEK 1tn in payment volume through our network in the last 12 months.

By focusing on sustainable, profitable growth, Klarna generated an adjusted operating income of SEK 673m in H124, reflecting a year-over-year (YoY) improvement of SEK 1.1bn compared to H123. In Q224, we broke even on a net income basis as we continue to improve our operating leverage while compounding growth.

## Revenue and Net income trend is clear



Consistently compounding revenue

Net income profitability trend is clear

## The Klarna network is the future of commerce

Klarna is building the commerce network of the next generation. Our network empowers millions of loyal Klarna consumers with shopping tools and payment methods that are flexible, affordable, convenient, and smart. By improving the shopping experience for consumers, we help our 575k merchants grow their businesses.

We obsess about the quality of our products, their sustainable pricing, and ultimately ensuring they add value to both sides of the network. We work with the biggest, boldest, and most loved brands in the world, including H&M, Saks, Sephora, Macy's, Ikea, Expedia Group, Nike and Airbnb. This naturally results in compounding growth as commerce thrives in the mutually beneficial Klarna network.

Since I started this company with my co-founders, our mission has been to build a network that challenges the status quo, leveraging the latest technology to deliver the best for our customers.

Whether pioneering new flexible payment methods, better ways to integrate with merchants to serve their customers, or our unique superior underwriting, all have been built on adapting to new technologies. Our approach to generative AI is no different. After seeing the benefits of AI in customer service, we've launched the next evolution of our AI assistant, offering hyper-personalized shopping recommendations in our improved app.

The global scale of our network, the deep understanding we already have of our customers' needs, and the unified technology platform we have built, coupled with integrating the technology into our ways of working across the organization, put us at a unique advantage to capture the benefits of this technology within our network.

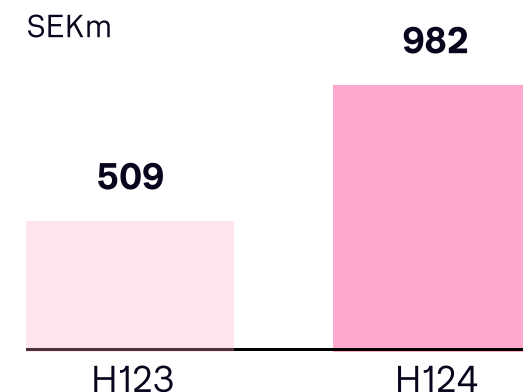
I couldn't be more excited about our network's ability to bring value to our consumers and merchants!

## Winning in the largest market - the US

Klarna has an established leadership position in European markets, and we are replicating this success in the largest addressable market in the world: the US. We are now the partner of choice for 1 in 4 of the top 100 US merchants, expanding our presence across all verticals. This year, we've secured and expanded partnerships with industry giants like Airbnb, Expedia, and Uber, making Klarna an option for millions more everyday purchases.

Our strategy of partnering with the fastest and most innovative brands in every market has led to a 38% YoY revenue growth in the US during H124. Increasing scale has resulted in a 93% YoY improvement in gross profitability. Through increased scale and profitability, Klarna's investments in growing the US market have been fully returned within just five years, demonstrating the impressive scalability of our network and setting the path for long-term sustainable growth.

## Gross profit (US)



**93%**  
Improvement YoY



## The world's largest merchants choose Klarna

Klarna's success is intrinsically linked to the success of our merchants and customers. As our merchants thrive and grow, we grow alongside them, creating a powerful, mutually beneficial relationship. Merchants who joined the Klarna network five years ago have seen a 2.5x increase in volumes in H124 compared to H120.

Merchants choose Klarna because they reach new consumers, achieve 40% higher

average order values, and typically see a 20% increase in conversion rates. Their consumers love us, awarding us an NPS score of 75, far outpacing our legacy peers. In the most recent year, we've exceeded a net revenue retention rate of 129%, showcasing how we continuously add value to these relationships as they embed more of their business within our network.

## Executing on our strategy to become ubiquitous

The benefits of the Klarna network to merchants are clear. We are committed to a future where Klarna is available at every checkout, supporting everyone who wishes to expand and grow their business. Klarna is currently available with 44 of the top 100 merchants globally.

Earlier this year, we found a new home for Klarna Checkout (KCO), the leading payments gateway in the Nordics. KCO now has a dedicated team focused on growing the products and services to ensure that the thousands of merchants who use it continue to love it.

The move also means we no longer compete with our established PSP partners, allowing us to work even more closely with them to ensure the benefits of Klarna's network can be offered to their merchant ecosystems effectively and efficiently. By reimagining our relationships with PSPs, we have expanded our strategic partnerships with companies like Adobe Commerce and Worldpay, enabling thousands more merchants to offer Klarna.

## Tapping into retail banks' core business: everyday spending and saving

With an industry-leading NPS score of 75, we are already one of the most loved and trusted brands in financial services with over 575k merchants, a number that continues to grow. In the past 12 months, we added over 68k new merchants and expanded strategic partnerships with iconic everyday-use partners such as Voi, Google, and Uber.

The value Klarna creates for consumers is evidenced by their high engagement. The Klarna app has now reached over 31m monthly active users, empowering consumers to shop anytime and anywhere. Consumers who shop in the Klarna app, regardless of whether they choose to pay now, pay later, or finance their

purchases, typically increase their purchase frequency by 34%.

We owe everything to our consumers, and we're thrilled to be able to support them further in their spending and savings goals by introducing Klarna Cashback and Klarna Balance.

These products make it easier for customers to store money in a Klarna account, add money directly from their bank account, receive cashback rewards for shopping in the Klarna app, or receive refunds from returned items, driving loyalty and frequent use.

## The revolutionary impact of AI

In the first half of 2024, we saw firsthand the benefits of adopting practical AI. We also made a conscious decision to address the societal impacts of generative AI. Our AI assistant now performs the work of 700 employees, reducing the average resolution time from 11 minutes to just 2, while maintaining the same customer satisfaction scores as human agents.

We're excited to share the adoption and tangible benefits the next evolution of our AI assistant brings. Our AI assistant now also serves as a powerful shopping assistant that helps consumers discover and choose products tailored to them, further transforming the shopping experience and helping them save time and money.

This AI breakthrough means our customers get better experiences, our employees face more interesting challenges, and our investors see better returns. It also shows how profoundly AI can impact society.

I urge everyone, including policymakers, to approach this change with careful, informed, and steady stewardship.

## Thank you

Our network's success is built on our valued consumers, merchants, partners, colleagues, and shareholders.

I'd like to sincerely thank you all for the trust and value you have given us so far and for being part of our journey. I am so excited about our joint future!

**Sebastian Siemiatkowski,**  
CEO and Co-founder of Klarna



# Letter from the CFO

Klarna has delivered yet another strong half-year of growth. Our consumers are engaging with Klarna like never before, spurred on by our expanding network and the enhanced benefits our merchants are experiencing from this increased engagement.

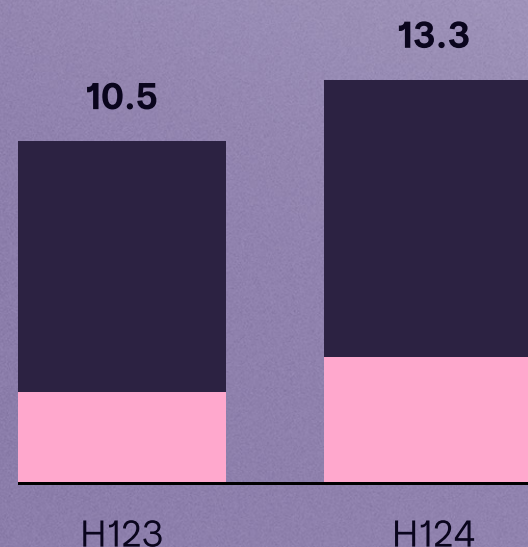
## Compounding fee-based growth

Klarna's gross merchandise volume (GMV) rose by 16% in H124, reaching an impressive SEK 1tn in annualized volume. The US continues to be our fastest-growing market, with a 30% GMV growth during this period.

The deep market penetration in our well-established European markets, such as Sweden, where over 3 in 4 adults actively use Klarna, strengthens our confidence in sustaining high growth rates across both our established and growth markets, such as the US. Both new and existing consumers increasingly leverage the full breadth of our payment methods and shopping solutions for their everyday payments.

Revenue growth has been robust, with a 27% YoY increase in H124, driven by a strong 38% growth in the US. Over 85% of our revenue comes from transaction and service fees, which grew by 30% YoY in H124.

This growth is driven primarily by merchants who benefit from higher average order values (AOV), increased conversion rates, and enhanced customer retention when using Klarna. Klarna's ability to drive revenue growth is a direct result of our unmatched capability to add value for both consumers and merchants.



**27%** Revenue H124 YoY

**38%** Revenue (US) H124 YoY

Figures presented in SEKbn

## Unit economics improving with scale

Take rates have increased to 2.54%, up by 21 basis points, through a combination of higher volumes in markets such as the US, where take rates are naturally higher, and by increasing value-added services to consumers.

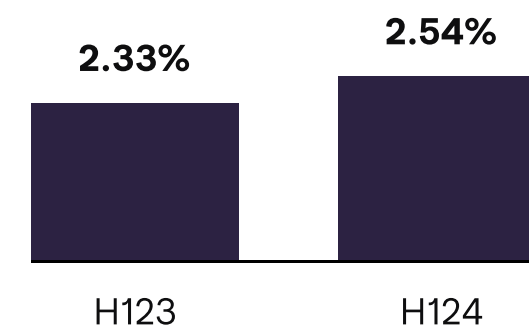
Klarna is realizing economies of scale as it leverages its increasing size and penetration in growth markets to drive operating leverage. Processing and servicing costs (9% YoY) increased at a slower pace than both GMV (16% YoY) and revenue (27% YoY), resulting in a 6% (4 bps) improvement in costs as a percentage of GMV. Consumer credit losses remained stable at less than half a percent of GMV, rising by 8 bps from 0.37% to 0.45%, mainly due to US growth outpacing more established markets.

Our funding costs are low at just 13% of our total revenue. Our fixed-term deposit product, now available in six European countries, allows us to maintain a stable cost of funds below 3%, bolstered by our trusted brand. We're committed to continuing to diversify our funding sources, and over the past year, we have raised SEK 4.1bn in senior and subordinated bonds.

In addition, we completed three significant risk transfer transactions, supporting the capital-efficient origination of up to SEK 7.8bn in additional volume per month.

Klarna consistently delivers gross margins exceeding 60% in its established markets. The US market, on its path to maturity, saw gross margins increase to 26%, up 7 percentage points YoY, driving a significant 93% YoY increase in US gross profit. The US market now plays a significant role in shaping the group's unit economics, contributing 29% of the group's revenue, up 2 percentage points from the previous year. This growth supports the group's solid 22% YoY increase in gross profit.

### Revenue take-rate



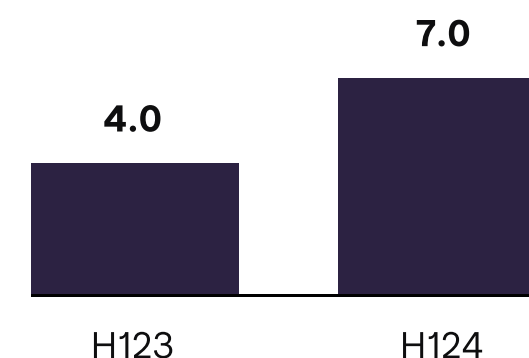
## Massive scale efficiencies to continue driving long term profitability

Over the past year, Klarna has grown its gross profit by 22% while maintaining flat adjusted operating expenses, generating significant operating leverage.

Our proven scale efficiencies have been enhanced by our investment in AI, which has driven down operating expenses and improved gross profits. As a result, our average revenue per employee has increased by 73%, rising from SEK 4.0m to SEK 7.0m in H124.

These significant scale improvements have led to a substantial increase in adjusted operating income, shifting from a loss of SEK 456m last year to a profit of SEK 673m in H124.

### Average revenue per employee<sup>1</sup> SEKm



<sup>1</sup> Average revenue per employee is defined as the total revenue over the trailing 12 months divided by the number of employees.



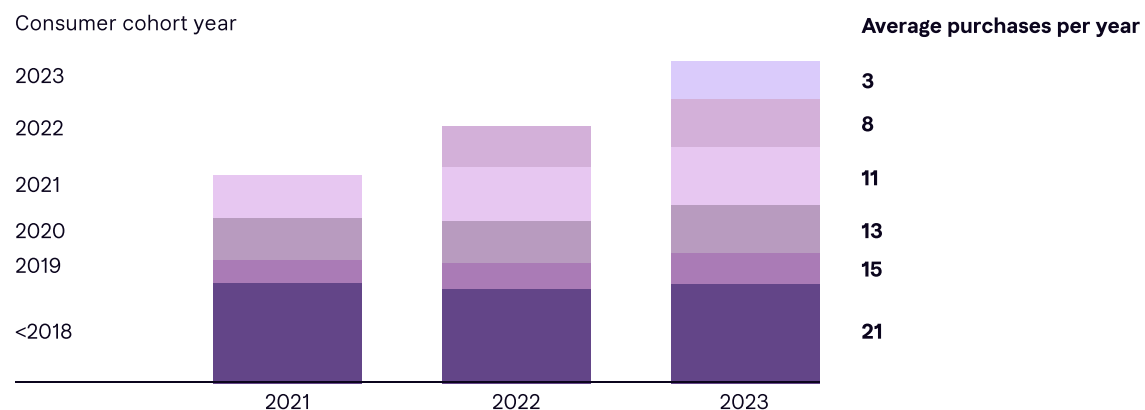
## Looking ahead

We are confident in Klarna's ability to sustain continuous profitable growth, driven by the compounding effect of the Klarna network. As we continue adding innovative products to our network, we enhance our consumers' lives by helping them save time, save money, and reduce worry. By improving their lives, Klarna becomes an integral part of their everyday spending.

Merchants realize the second-order effect in the form of significant top- and bottom-line growth. Recognizing this success, merchants expand their partnerships with Klarna across various verticals, channels, and markets, further perpetuating the network effect. This positive impact is reflected in our consumer and merchant cohorts, as well as in our overall financial performance.

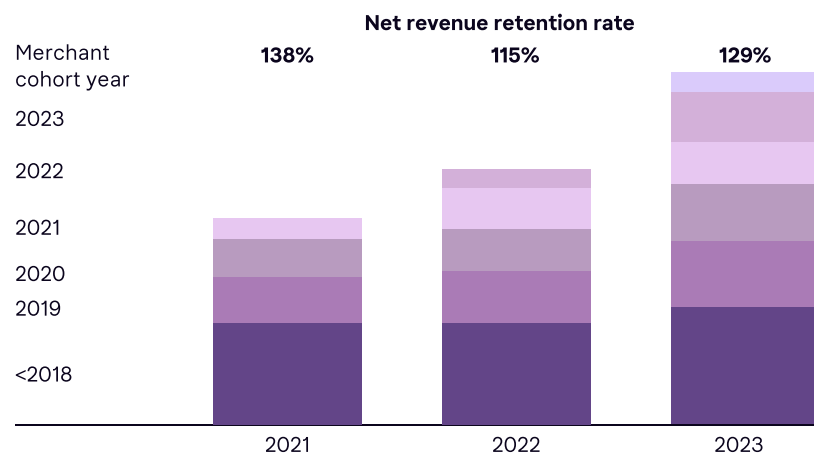
### Compounding consumer cohorts

We will continue to prioritize acquiring consumers and engaging them with innovative products to become their everyday spending partner. This strategy leads to increased purchase frequency and greater use of our value-added services, resulting in strong repeatability and predictability in our consumer cohorts.



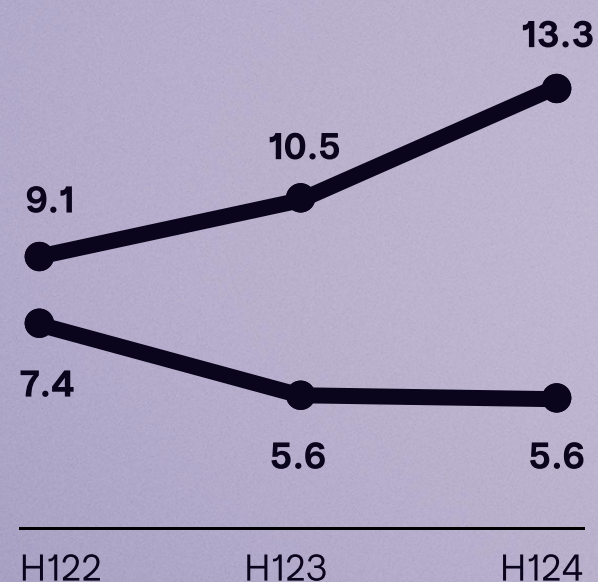
### Compounding merchant cohorts

When we begin a relationship with a merchant, they quickly see the benefits and understand that launching Klarna in additional markets while utilizing our full suite of products will supercharge their growth. This approach expands our merchant cohorts, provides greater value to our merchants, fosters increased engagement, and drives significant revenue growth.



### Continued operating leverage improvements

Leveraging market-leading transaction costs and a single, powerful tech platform that services our markets globally, we continue reaping the benefits of operational gearing at scale.



**27%**

Revenue  
H124 YoY

**0%**

Adj. operating expenses  
H124 YoY

Figures presented in SEKbn

As we continue to innovate and expand our reach, the future looks incredibly promising.

We are excited about the opportunities ahead and remain committed to delivering exceptional value to our customers, partners, and shareholders.

**Niclas Neglén,**  
Chief Financial Officer of Klarna



# Business overview

The CEO of Klarna Holding AB (publ) hereby submits the report for the period January 1 – June 30, 2024. This report presents the figures for Klarna Holding AB (publ) and its subsidiaries. The report has been prepared in millions of Swedish kronor (SEK) unless otherwise stated.

## Information about the business

Klarna Holding AB (publ)'s subsidiary, Klarna Bank AB (publ) is an authorized bank and is under the supervision of the Swedish Financial Supervisory Authority (Finansinspektionen). Klarna was founded in 2005 in Sweden and has been a fully licensed bank since 2017, active in 26 markets.

We are an AI powered global payments network and shopping assistant that accelerates commerce by offering fairer, more sustainable, innovative solutions. We are committed to providing a seamless and secure shopping experience that helps our customers save time and money, and reduce worry.

Klarna is on a mission to accelerate commerce by putting customers at the heart of everything we do. We began by revolutionizing the retail banking industry before expanding into commerce solutions with strategic investments to solve real problems identified through consumer insights in the shopping journey. Our success is the result of strong relationships with consumers, merchants, and partners built on trust. Maintaining this trust, especially in the finance industry, requires ethical practices and doing what's right. These principles are woven into all aspects of our business, including data privacy, corporate governance, and fair treatment of employees.

## Business results

In the first half of 2024, Klarna maintained strong growth as we invested further in our products and services to help consumers save time and money and reduce worry about their finances. Total net operating income increased by 22% YoY to SEK 11.2bn (H123: SEK 9.2bn), outpacing GMV growth of 16% YoY to SEK 523bn (H123: SEK 449bn).

Our commission income increased by 31% to SEK 10.2bn (H123: SEK 7.8bn), driven by the increase in global merchants, now surpassing 575k, and growing consumer engagement that boosted payment volumes processed through the Klarna network. Growth in interest income of 23% YoY to SEK 2.8bn (H123: SEK 2.3bn) remained below that of commission income as consumer demand for our interest-free, shorter-duration payment products outpaced interest-bearing products.

Interest expenses increased to SEK 2.1bn (H123: SEK 1.1bn) but remained low compared to total operating expenses and total net operating income supported by our effective funding strategy. This increase was driven by growth in our consumer savings product, with deposits from the public increasing by 33% YoY to SEK 106.3bn (H123: SEK 79.8bn). Our savings accounts in Germany and Sweden continue to attract and retain consumers with attractive savings rates, and the majority of deposits are fixed with a time to maturity of 264 days.

Total operating expenses before credit losses for the first half of the year decreased by 3% YoY to SEK 9.0bn (H123: SEK 9.3bn) as Klarna realizes AI-driven efficiencies. Depreciation, amortization, and impairment of intangible and tangible assets decreased to SEK 0.8bn (H123: SEK 1.1bn), largely driven by lower like-for-like period impairments.

Credit losses remained low in comparison to GMV at less than half a percent, 0.46% in H124 (H123: 0.39%). Credit losses amounted to SEK 2.4bn (H123: SEK 1.8bn) for H124, an increase of 37% YoY.

Klarna Holding AB (publ)'s operating result for the first half of the year was SEK -0.3bn (H123: SEK -1.9bn), an improvement of 86% compared to the first half of 2023. Adjusted operating income (loss) for H124 was SEK 0.7bn, marking an improvement of SEK 1.1bn compared to H123. The net result for the period improved by 84% to SEK -0.3bn (H123: SEK -2.1bn) as Klarna's operating leverage continues to improve.

Volume growth across all markets contributed to a 17% YoY increase in loans to the public in H124, reaching SEK 89.9bn (H123: SEK 77.1bn). It is important to note that this does not represent all loans originated in H124. The average duration of Klarna's credit portfolio is 40 days, which contributes to the rapid turnover of our balance sheet. This short duration ensures that loans are quickly repaid, allowing us to efficiently use capital to generate revenues. This asset-light approach distinguishes us from traditional banks, whose longer loan durations tie up capital for extended periods. The CET1 ratio for Klarna Holding AB (publ) is 14.9%.





## Interaction with regulators

In the US, the Consumer Financial Protection Bureau (CFPB) recently announced the application of existing credit card regulations to Buy Now Pay Later (BNPL) products. Many of the regulations the CFPB is now applying to BNPL are already existing Klarna protections, such as the right to disputes and returns. We will continue to collaborate with the CFPB to ensure robust consumer protections for BNPL and payment products in the US and to ensure consistency across providers.

In Sweden, we have been supporting policymakers in their work to curb consumer over-indebtedness. In April 2024, we responded to a public consultation on proposed changes to tapered interest deductions. The government's proposal will make it more difficult for risky credit providers, such as those offering unsecured loans, to operate without proper regulatory scrutiny. Klarna supports this initiative. To further amplify our work on this issue, we also participated in the public hearing on over-indebtedness hosted by the Riksdag Civil Committee and hosted our own roundtable discussion with policymakers during Almedalen Week ('Politicians Week') to engage with policymakers on this matter.

In Germany, we are actively engaged with national policymakers and regulators, including government officials, Members of Parliament, the Federal Government, and the German Bundesbank. Regulatory interactions have focused on the revised EU CCD, the latest EU Payments Package, and the new amendment to the Federal Data Protection Act regarding credit scoring. Klarna has also engaged with the national government and the Organisation for Economic Co-operation and Development (OECD) on the topic of financial education, participating in workshops and consultations for Germany's national financial education strategy.

In the EU, we are working closely with national lawmakers and regulators as they prepare for the two-year transposition of the 2nd Consumer Credit Directive (CCD) into local law. This directive, agreed upon last fall, includes proposals for a proportionate regime for BNPL. Furthermore, we responded to the Payment Services Directive 3, Payment Regulation 1, and Financial Data Access consultations. We are actively involved in discussions with European co-legislators to promote better, faster, and safer payments in the EU. We now expect further negotiations on these files to take place under the new political mandate throughout 2024 and 2025.

In the UK, one of Klarna's UK entities, Klarna Financial Services UK (KFSUK), received authorization from the Financial Conduct Authority (FCA) in November 2023 to provide credit and payment services. Recognizing our position as a leader in AI, we have supported the UK Competition and Markets Authority (CMA) in their studies on foundational models. In April 2023, we submitted our response to the government's consultation on new regulations for Buy Now Pay Later (BNPL) products. We remain closely engaged with stakeholders on this issue as we await the next steps.

In the Netherlands, following the launch of the first BNPL Code of Conduct in the fall of 2023, we have seen positive endorsements in 2024 of the proactive measures taken by the industry to raise standards and consumer protections from the Dutch government, regulators, and other industry stakeholders. On June 1, 2024, the Code was further strengthened with the introduction of additional age verification measures. The Code is a stepping stone towards regulation for the sector, expected as part of the implementation of the European CCD in 2026.

## Significant events during the period

- On 23 May 2024, the Klarna Holding AB (publ) completed a reorganization which resulted in Klarna Group plc becoming the new ultimate parent company of the Group. Through a series of share for share exchange steps, the previous shareholders of Klarna Holding AB (publ) exchanged their shares for shares in Klarna Group plc.
- On 23 May 2024, Klarna Holding AB (publ) subscribed for 5,727,931 newly issued shares in Klarna Bank AB (publ) as part of an internal allocation of funds.
- On 24 June 2024, Klarna Holding AB (publ) announced the divestment of Klarna Checkout (KCO). For more information see note 16.
- On 27 June 2024, Klarna Holding AB (publ) subscribed for 4,101,638 newly issued shares in Klarna Bank AB (publ) as part of an internal allocation of funds.





# Key financial and performance measures





## Presentation of the income statement

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The financial statements<sup>1</sup> for the Group also comply with the applicable regulations in the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL, 1995:1559), the Swedish Financial Supervisory Authority regulations (FFFS 2008:25)<sup>2</sup> and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups. In our financial summary, Klarna presents an income statement view designed to enhance understanding of Klarna's underlying business performance. Unlike traditional banks, the majority of our revenue is derived from transaction and service revenue linked to the volume of transactions or advertising services we facilitate, rather than from interest on balances. Therefore, Klarna uses several specific measures of financial performance that we believe are important as they reflect underlying business activity.

This includes revenue, gross profit, adjusted operating expenses and adjusted operating income (loss).

The information in the reconciliation presented below is for Klarna Holding AB (publ).

### Reconciliation of Revenue to Total net operating income

Amounts in SEKm	H124	H123
<b>Revenue</b>	<b>13,270</b>	<b>10,484</b>
Commission expenses	(611)	(448)
Net result from financial transactions	(147)	(256)
Interest expenses	(2,143)	(1,058)
Interest income from liquidity assets	786	459
<b>Total net operating income</b>	<b>11,155</b>	<b>9,181</b>

Revenue is defined as Total net operating income in accordance with IFRS excluding; commission expense<sup>3</sup>, interest expense<sup>3</sup>, net result from financial transactions<sup>3</sup> and interest on liquidity assets not related directly to the core business. Interest on liquidity assets that are not directly related to the core business stems from loans to credit institutions and other interest income.

Klarna believes Revenue is the best indicator of how much value we are sustainably generating from our business and that this approach is in-line with our peers.

### Reconciliation of Total net operating income to Gross profit

Amounts in SEKm	H124	H123
<b>Total net operating income</b>	<b>11,155</b>	<b>9,181</b>
<b>Including</b>		
Processing and servicing	(2,956)	(2,713)
Consumer credit losses	(2,329)	(1,677)
<b>Excluding</b>		
Interest expenses*	(15)	(24)
Commission expenses*	(455)	(341)
Net result from financial transactions*	27	(12)
<b>Gross profit</b>	<b>6,313</b>	<b>5,168</b>

\* of which are not directly related to revenue-generating activities

Gross profit is reconciled to Total net operating income in accordance with IFRS, by including costs related to processing and servicing, within general administrative expenses<sup>3</sup>, and consumer credit losses within credit losses, net<sup>3</sup>. Excluding interest expenses, commission expenses, currency gains and losses, and the impact of fair value adjustments on securities. Klarna believes gross profit is the best indicator of the core profitability of the company's business activities before the deduction of operating expenses.

<sup>1</sup> Found on page 26 of this report

<sup>2</sup> In addition to International Financial Reporting Standards (IFRS)

<sup>3</sup> In accordance with IFRS and as included on Klarna Holding AB (publ)'s income statement

### Reconciliation of Gross profit to Operating result

Amounts in SEKm	H124	H123
<b>Gross profit</b>	<b>6,313</b>	<b>5,168</b>
Adjusted operating expenses	(5,640)	(5,624)
Depreciation and amortization*	(778)	(850)
Share based payments	(148)	(238)
Restructuring and other	(33)	(341)
Other income (expense)	24	(15)
<b>Operating result</b>	<b>(262)</b>	<b>(1,901)</b>

\* Certain costs associated with depreciation, amortization, and impairment of intangible and tangible assets in the income statement are categorized under restructuring costs in the table above, reflecting their associated nature.

Operating result<sup>3</sup> is reconciled to gross profit after deducting operating expenses and other income (loss).

### Reconciliation of Operating result to Adjusted operating income (loss)

Amounts in SEKm	H124	H123
<b>Operating result</b>	<b>(262)</b>	<b>(1,901)</b>
Depreciation and amortization*	(778)	(850)
Share based payments	(148)	(238)
Restructuring and other	(33)	(341)
Other income (expense)	24	(15)
<b>Adjusted Operating income (loss)</b>	<b>673</b>	<b>(456)</b>

\* Certain costs associated with depreciation, amortization, and impairment of intangible and tangible assets in the income statement are categorized under restructuring costs in the table above, reflecting their associated nature.

Adjusted operating income (loss) excludes items that are not directly related to the company's core operating performance, making it a key metric for understanding our core profitability.

The performance measure "Adjusted operating income (loss)" was formerly presented as "Adjusted operating results," reflecting a name change. Previously, in H123, other income (expense) was included within both operating income (loss) and adjusted operating income (loss). Now, we exclude other income (expense) from these measures, as this line pertains to income and expenses unrelated to Klarna's core operations.

### Reconciliation of Operating expenses to Adjusted operating expenses\*

H123	Operating expenses	Restructuring and other	Share-based payments	Depreciation and amortization	Adjusted operating expenses
Technology and product development	(1,509)	1	71	-	(1,437)
Sales and marketing	(1,506)	18	69	-	(1,419)
Customer service and operations	(1,234)	2	9	-	(1,224)
General and administrative (G&A)	(1,671)	37	90	-	(1,544)
Depreciation, amortization and impairments	(1,134)	284	-	850	-
<b>Total</b>	<b>(7,054)</b>	<b>341</b>	<b>238</b>	<b>850</b>	<b>(5,624)</b>

H124	Operating expenses	Restructuring and other	Share-based payments	Depreciation and amortization	Adjusted operating expenses
Technology and product development	(1,749)	1	69	-	(1,680)
Sales and marketing	(1,301)	-	43	-	(1,258)
Customer service and operations	(1,108)	-	7	-	(1,101)
General and administrative (G&A)	(1,658)	28	30	-	(1,600)
Depreciation, amortization and impairments	(782)	5	-	778	-
<b>Total</b>	<b>(6,599)</b>	<b>33</b>	<b>148</b>	<b>778</b>	<b>(5,640)</b>

\* Rounding effects may be present in this table.

Operating expenses are defined as total operating expenses before credit losses<sup>3</sup>, and includes non-consumer credit losses within credit losses, net<sup>3</sup>. It excludes processing and servicing, within general administrative expenses<sup>3</sup>, as well as interest expenses, commission expenses and net result from financial transactions directly related to revenue-generating activities.

Adjusted operating expenses are defined as operating expenses excluding restructuring and other, share-based payments, and depreciation and amortization.



# Group company financials





## Five Year Summary, Group

Amounts in SEKm	Jan - Jun 2024	Jan - Jun 2023	Jan - Jun 2022	Jan - Jun 2021	Jan - Jun 2020
<b>Income statement</b>					
Total net operating income	11,155	9,181	7,546	6,424	4,557
Operating result	(262)	(1,901)	(6,347)	(1,732)	(652)
Net result for the period	(333)	(2,090)	(6,387)	(1,384)	(522)
<b>Balance sheet</b>					
Loans to credit institutions	3,970	3,692	5,069	2,519	1,723
Loans to the public	89,919	77,126	69,044	49,057	32,975
All other assets	61,332	41,410	39,463	25,500	14,016
<b>Total assets</b>	<b>155,221</b>	<b>122,228</b>	<b>113,576</b>	<b>77,076</b>	<b>48,714</b>
Liabilities to credit institutions	1,747	1,067	4,629	1,828	2,541
Deposits from the public	106,323	79,819	67,033	35,983	23,687
All other liabilities	23,394	18,472	22,198	16,332	13,091
Total equity	23,757	22,870	19,716	22,933	9,395
<b>Total liabilities and equity</b>	<b>155,221</b>	<b>122,228</b>	<b>113,576</b>	<b>77,076</b>	<b>48,714</b>
<b>Key ratios and figures<sup>1</sup></b>					
Return on equity	(6.7)%	(28.3)%	(52.6)%	(16.2)%	(21.4)%
Return on assets	(0.6)%	(5.2)%	(12.5)%	(3.4)%	(3.3)%
Debt/equity ratio	5.0	4.5	3.5	2.9	3.7
Equity/assets ratio	15.3%	18.7%	17.4%	29.8%	19.3%
Own funds (Total capital) <sup>2</sup>	14,696	13,427	9,971	20,657	8,020
Capital requirement <sup>2</sup>	6,029	5,409	5,027	4,153	2,515
Total capital ratio <sup>2</sup>	19.5%	19.9%	15.9%	39.8%	25.5%
Average number of full-time equivalents	3,973	5,217	6,075	4,122	3,020

<sup>1</sup> See "Definitions and Abbreviations" for definitions of how the ratios are calculated.

<sup>2</sup> Figures refer to Klarna Holding AB (publ) group. In accordance with the capital adequacy regulations, the consolidated situation consists of Klarna Holding AB (publ) and its subsidiaries. All subsidiaries are fully consolidated in the Group.

## Income Statement, Group

Amounts in SEKm	Note	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
Interest income	4	2,811	2,278	4,845
Interest expenses	5	(2,143)	(1,058)	(2,860)
<b>Net interest income</b>		<b>668</b>	<b>1,220</b>	<b>1,985</b>
Commission income	6	10,196	7,775	17,826
Commission expenses		(611)	(448)	(1,003)
Net result from financial transactions		(147)	(256)	(150)
Other operating income		1,049	890	1,971
<b>Total net operating income</b>		<b>11,155</b>	<b>9,181</b>	<b>20,629</b>
General administrative expenses		(8,242)	(8,197)	(17,409)
Depreciation, amortization and impairment of intangible and tangible assets		(782)	(1,134)	(2,392)
<b>Total operating expenses before credit losses</b>		<b>(9,024)</b>	<b>(9,331)</b>	<b>(19,801)</b>
<b>Operating result before credit losses, net</b>		<b>2,131</b>	<b>(150)</b>	<b>828</b>
Credit losses, net	7	(2,393)	(1,751)	(4,032)
<b>Operating result</b>		<b>(262)</b>	<b>(1,901)</b>	<b>(3,204)</b>
Income tax		(71)	(189)	665
<b>Net result for the period</b>		<b>(333)</b>	<b>(2,090)</b>	<b>(2,539)</b>
<b>Whereof attributable to:</b>				
Shareholders of Klarna Holding AB (publ)		(345)	(2,034)	(2,421)
Non-controlling interests		(66)	(79)	(166)
Additional Tier 1 capital holders		78	23	48
<b>Total</b>		<b>(333)</b>	<b>(2,090)</b>	<b>(2,539)</b>

## Statement of Comprehensive Income, Group

Amounts in SEKm	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
<b>Net result for the period</b>	<b>(333)</b>	<b>(2,090)</b>	<b>(2,539)</b>
<b>Items that may be reclassified subsequently to the income statement:</b>			
Exchange differences on translation of foreign operations	454	480	(178)
<b>Other comprehensive income for the period, net of tax</b>	<b>454</b>	<b>480</b>	<b>(178)</b>
<b>Total comprehensive income for the period</b>	<b>121</b>	<b>(1,610)</b>	<b>(2,717)</b>
<b>Whereof attributable to:</b>			
Shareholders of Klarna Holding AB (publ)	109	(1,554)	(2,599)
Non-controlling interests	(66)	(79)	(166)
Additional Tier 1 capital holders	78	23	48
<b>Total</b>	<b>121</b>	<b>(1,610)</b>	<b>(2,717)</b>

Unlike the balance sheet, which shows a snapshot of assets and liabilities at the end of each period, the credit losses in the income statement reflect provisions for future losses and realized losses associated with Klarna's operating activities during the period, including consumer credit losses, merchant counterparty losses, and other related credit losses.

Credit losses, net as a percentage of GMV was 0.46% (H123: 0.39%).



## Balance Sheet, Group

Amounts in SEKm	Note	30 Jun 2024	31 Dec 2023	30 Jun 2023
<b>Assets</b>				
Cash and balances with central banks		31,061	22,028	7,717
Treasury bills chargeable at central banks, etc.		13,122	7,267	13,372
Loans to credit institutions		3,970	4,502	3,692
Loans to the public	8	89,919	86,108	77,126
Bonds and other interest-bearing securities		304	506	1,110
Other shares and participations		469	345	340
Intangible assets		11,647	12,050	13,005
Tangible assets		1,136	1,228	1,640
Deferred tax assets		310	282	374
Other assets		1,959	2,775	2,814
Prepaid expenses and accrued income		1,026	845	1,038
Assets classified as held for sale	16	298	-	-
<b>Total assets</b>		<b>155,221</b>	<b>137,936</b>	<b>122,228</b>
<b>Liabilities</b>				
Liabilities to credit institutions		1,747	1,636	1,067
Deposits from the public		106,323	97,096	79,819
Debt securities issued	9	1,712	651	1,233
Deferred tax liabilities		7	5	872
Other liabilities	10	14,685	11,972	12,827
Accrued expenses and prepaid income		3,935	3,618	2,646
Provisions		93	128	85
Subordinated liabilities		1,839	751	809
Liabilities associated with assets classified as held for sale	16	1,123	-	-
<b>Total liabilities</b>		<b>131,464</b>	<b>115,857</b>	<b>99,358</b>
<b>Equity</b>				
Share capital		3	3	3
Other capital contributed		42,098	42,092	41,709
Reserves		1,032	578	1,236
Additional Tier 1 instruments		1,776	276	532
Retained earnings		(20,941)	(18,545)	(18,646)
Net result for the period		(267)	(2,373)	(2,011)
<b>Total equity attributable to parent</b>		<b>23,701</b>	<b>22,031</b>	<b>22,823</b>
Non-controlling interests		56	48	47
<b>Total equity</b>		<b>23,757</b>	<b>22,079</b>	<b>22,870</b>
<b>Total liabilities and equity</b>		<b>155,221</b>	<b>137,936</b>	<b>122,228</b>

Loans to the public represents only the amount of outstanding loans receivable, as at each period end, and is net of allowance for future credit losses (see note 8 for breakdown). This balance is only partially comparable to credit losses on the income statement as the income statement reports all activity during the period, while the balance sheet is a snapshot of lending outstanding as at the period end date.

## Statement of Changes in Equity, Group

Amounts in SEKm	Share capital	Other capital contributed	Reserves <sup>2</sup>	Additional Tier 1 instruments	Retained earnings	Net result	Total equity excl. non-controlling interests	Non-controlling interests	Total equity
<b>Balance as at January 1, 2024</b>	3	42,092	578	276	(18,545)	(2,373)	22,031	48	22,079
Transfer of previous year's net result	-	-	-	-	(2,373)	2,373	-	-	-
<i>Net result for the period</i>	-	-	-	-	-	(267)	(267)	(66)	(333)
<i>Other comprehensive income, net of tax</i>	-	-	454	-	-	-	454	-	454
<b>Total comprehensive income for the period</b>	-	-	454	-	-	(267)	187	(66)	121
Share warrants	-	6	-	-	-	-	6	-	6
Share-based payments	-	-	-	-	64	-	64	-	64
Restricted stock units	-	-	-	-	-	-	-	65	65
Additional Tier 1 instruments <sup>1</sup>	-	-	-	1,500	(78)	-	1,422	-	1,422
Changes in non-controlling interests	-	-	-	-	(9)	-	(9)	9	-
<b>Balance as at June 30, 2024</b>	3	42,098	1,032	1,776	(20,941)	(267)	23,701	56	23,757

Amounts in SEKm	Share capital	Other capital contributed	Reserves <sup>2</sup>	Additional Tier 1 instruments	Retained earnings	Net result	Total equity excl. non-controlling interests	Non-controlling interests	Total equity
<b>Balance as at January 1, 2023</b>	3	41,569	756	532	(8,432)	(10,295)	24,133	63	24,196
Reclassification	-	3	-	-	-	-	3	-	3
Transfer of previous year's net result	-	-	-	-	(10,295)	10,295	-	-	-
<i>Net result for the period</i>	-	-	-	-	-	(2,011)	(2,011)	(79)	(2,090)
<i>Other comprehensive income, net of tax</i>	-	-	480	-	-	-	480	-	480
<b>Total comprehensive income for the period</b>	-	-	480	-	-	(2,011)	(1,531)	(79)	(1,610)
New share issue	-	131	-	-	-	-	131	-	131
Share warrants	-	6	-	-	-	-	6	-	6
Share-based payments	-	-	-	-	172	-	172	-	172
Restricted stock units	-	-	-	-	-	-	-	77	77
Additional Tier 1 instruments <sup>1</sup>	-	-	-	-	(23)	-	(23)	-	(23)
Changes in non-controlling interests	-	-	-	-	(68)	-	(68)	(14)	(82)
<b>Balance as at June 30, 2023</b>	3	41,709	1,236	532	(18,646)	(2,011)	22,823	47	22,870

<sup>1</sup> Amounts in Additional Tier 1 instruments column consist of issued instruments, while amounts in Retained earnings column consist of interest on and cost of issuance of these issued instruments.

<sup>2</sup> The Reserves consist of exchange differences from foreign operations.



Amounts in SEKm	Share capital	Other capital contributed	Reserves <sup>2</sup>	Additional Tier 1 instruments	Retained earnings	Net result	Total equity excl. non-controlling interests	Non-controlling interests	Total equity
<b>Balance as at January 1, 2023</b>	3	41,569	756	532	(8,432)	(10,295)	24,133	63	24,196
Reclassification	-	3	-	-	-	-	3	-	3
Transfer of previous year's net result	-	-	-	-	(10,295)	10,295	-	-	-
<i>Net result for the year</i>	-	-	-	-	-	(2,373)	(2,373)	(166)	(2,539)
<i>Other comprehensive income, net of tax</i>	-	-	(178)	-	-	-	(178)	-	(178)
<b>Total comprehensive income for the year</b>	-	-	(178)	-	-	(2,373)	(2,551)	(166)	(2,717)
New share issue	-	515	-	-	-	-	515	-	515
Share warrants	-	5	-	-	-	-	5	-	5
Share-based payments	-	-	-	-	332	-	332	-	332
Restricted stock units	-	-	-	-	-	-	-	162	162
Additional Tier 1 instruments <sup>1</sup>	-	-	-	-	(48)	-	(48)	-	(48)
Redeemed Additional Tier 1 instruments	-	-	-	(256)	(30)	-	(286)	-	(286)
Changes in non-controlling interests	-	-	-	-	(72)	-	(72)	(11)	(83)
<b>Balance as at December 31, 2023</b>	3	42,092	578	276	(18,545)	(2,373)	22,031	48	22,079

<sup>1</sup> Amounts in Additional Tier 1 instruments column consist of issued instruments, while amounts in Retained earnings column consist of interest on and cost of issuance of these issued instruments.

<sup>2</sup> The Reserves consist of exchange differences from foreign operations.

## Cash Flow Statement, Group

Amounts in SEKm	Note	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
<b>Operating activities</b>				
Operating result		(262)	(1,901)	(3,204)
Income taxes paid		(143)	(86)	(115)
<i>Adjustments for items in operating activities</i>				
Depreciation, amortization and impairment		782	1,134	2,392
Gain/loss from divestment of shares in subsidiaries		(9)	(8)	(8)
Provisions excluding credit losses		5	3	6
Provision for credit losses		(259)	(363)	(608)
Share-based payments		148	238	457
Financial items including unrealized exchange rate effects		(76)	(19)	(321)
<i>Changes in the assets and liabilities of operating activities</i>				
Change in loans to the public		(2,760)	(2,405)	(12,049)
Change in liabilities to credit institutions		87	(1,765)	(1,172)
Change in deposits from the public		8,489	(2,787)	16,727
Change in other assets and liabilities		2,410	4,305	6,445
<b>Cash flow from operating activities<sup>1</sup></b>		<b>8,412</b>	<b>(3,654)</b>	<b>8,550</b>
<b>Investing activities</b>				
Investments in intangible assets		(248)	(485)	(890)
Investments in tangible assets		(1)	(4)	(7)
Sales of fixed assets		1	8	16
Divestment of shares in subsidiaries		10	8	8
<b>Cash flow from investing activities</b>		<b>(238)</b>	<b>(473)</b>	<b>(873)</b>
<b>Financing activities</b>				
New share issue		-	52	436
Share warrants		6	6	5
Issued Additional Tier 1 instruments		1,500	-	-
Redeemed Additional Tier 1 instruments		-	-	(286)
Issued subordinated liabilities		1,061	500	750
Redeemed subordinated liabilities		-	-	(300)
Issued debt securities	9	2,080	-	1,100
Redeemed debt securities	9	(1,014)	(450)	(1,937)
Payment of principal portion of lease contracts		(147)	(294)	(441)
<b>Cash flow from financing activities</b>		<b>3,486</b>	<b>(186)</b>	<b>(673)</b>
<b>Cash flow for the period</b>		<b>11,660</b>	<b>(4,313)</b>	<b>7,004</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>24,170</b>	<b>17,759</b>	<b>17,759</b>
Cash flow for the period		11,660	(4,313)	7,004
Exchange rate diff. in cash and cash equivalents		458	300	(593)
<b>Cash and cash equivalents at the end of the period</b>		<b>36,288</b>	<b>13,746</b>	<b>24,170</b>
<b>Cash and cash equivalents include the following items</b>				
Cash held with central banks		30,668	7,449	21,784
Loans to credit institutions classified as cash and cash equivalents		2,121	2,099	2,386
Treasury bills classified as cash and cash equivalents		3,499	4,198	-
<b>Cash and cash equivalents</b>		<b>36,288</b>	<b>13,746</b>	<b>24,170</b>
Additional liquidity portfolio		9,926	10,284	7,774
<b>Total cash and liquidity</b>		<b>46,214</b>	<b>24,030</b>	<b>31,944</b>

<sup>1</sup> Cash flow from operating activities includes interest payments received and interest expenses paid.

As a bank, cash flows from operating activities primarily represent the net flows of money coming in and going out from the bank's consumer lending and retail deposit activities. It's not a reflection of the bank's net operating result for the period. In addition to the SEK 36.3bn in cash and cash equivalents held at period end, Klarna also maintains an additional liquidity portfolio of SEK 9.9bn.



## Note 1 Corporate information

Klarna Holding AB (publ), corp. ID 556676-2356, maintains its registered office in Stockholm at the address Sveavägen 46, 111 34 Stockholm, Sweden. The consolidated financial interim report per June 30, 2024 includes Klarna Holding AB (publ) along with its subsidiaries, collectively referred to as the Group in the financial statements. The Group's business is described in the Business overview.

In this report, the Parent company refers to Klarna Holding AB (publ) and Group refers to Klarna Holding AB (publ) including its subsidiaries.

The Parent Company of Klarna Holding AB (publ) is Klarna Group Holdco Ltd, Corp. ID 146108, which has its registered office in Jersey at the address 47 Esplanade, St. Helier, Jersey, JE1 0BD, Jersey. The ultimate parent company of Klarna Holding AB (publ) is Klarna Group plc, Corp. ID 14467769, that has its registered office at 10 York Road, London, England, SE1 7ND.

### *Group reorganization*

Prior to a group reorganization on May 23, 2024, Klarna Holding AB (publ) was the ultimate parent company of the Group for which consolidated financial statements were produced. On 23 May 2024, the Group completed a reorganization which resulted in Klarna Group plc becoming the new ultimate parent company of the Group. Through a series of share for share exchange steps, the previous shareholders of Klarna Holding AB (publ) exchanged their shares for shares in Klarna Group plc.

Following this reorganization, the immediate parent company of Klarna Holding AB (publ) is Klarna Group Holdco Ltd, an entity incorporated in Jersey and UK tax resident. There was no change in the legal ownership of any of the assets of Klarna Holding AB (publ) nor any change in the ultimate beneficial ownership of Klarna Holding AB (publ) or Klarna Group plc.

Klarna Holding AB (publ) continues to prepare consolidated financial statements. The group reorganization had no impact on the consolidated statement of financial position, consolidated income statement, and consolidated cash flow statement of Klarna Holding AB (publ).

## Note 2 Accounting and valuation principles

### **Basis for the preparation of the reports**

#### *Group*

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The financial statements for the Group also comply with the applicable regulations in the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL, 1995:1559), the Swedish Financial Supervisory Authority regulations (FFFS 2008:25) and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups.

#### *Parent Company*

The interim report for the Parent Company, Klarna Holding AB (publ), has been prepared in accordance with the Swedish Annual Account Act (ÅRL, 1995:1554). The accounting recommendation for legal entities, RFR 2, amended by the Swedish Financial Reporting Board has also been applied.

The accounting principles and calculation methods applied in this report should be read in conjunction, and are consistent, with the annual financial statements for 2023.

The financial statements are prepared on the basis that the Group will continue to operate as a going concern.

#### *Changes in IFRS standards, interpretations and Annual Improvement Projects*

No significant new standards (IFRS) or interpretations, applicable to Klarna, have come into effect during the period.

In April 2024, the IASB issued IFRS 18 "Presentation and Disclosure in Financial Statements" that replaces IAS 1 "Presentation of Financial Statements". IFRS 18 introduces new requirements for information presented in the primary financial statements and disclosed in the notes. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, but earlier adoption is permitted. The Group is currently evaluating the impact of this amendment.

There are no other changes in IFRS or IFRIC interpretations that have not yet come into effect that are expected to have significant impact on the Group.



### Note 3 Operating segments and income by geographical area

Klarna determines operating segments based on how our Chief Operating Decision Maker (CODM) manages the business, makes operating decisions around the allocation of resources, and evaluates Klarna's operating performance.

Klarna's CODM is the CEO, who reviews the operating results on a consolidated basis. Klarna operates as one operating segment and has one reportable segment.

The nature, amount, timing, and uncertainty of our income and cash flows and how they are affected by economic factors are depicted through primary geographical markets and type of income categories (retailer income and consumer income).

Income recorded within these categories are earned from similar services for which the nature of associated fees and the related income recognition models are substantially the same.

Group	Jan - Jun 2024	Jan - Jun 2023 <sup>4</sup>
Geographical breakdown		
- United States	3,510	2,636
- Germany	3,152	2,666
- United Kingdom	1,327	1,188
- Sweden	1,025	1,047
- Other countries	2,288	1,900
<b>Total net operating income less net result from financial transactions<sup>1</sup></b>	<b>11,302</b>	<b>9,437</b>
Income category		
- Retailer income	6,669	5,438
- Consumer income	2,573	2,476
- Other income <sup>2</sup>	2,060	1,523
<b>Total net operating income less net result from financial transactions<sup>1</sup></b>	<b>11,302</b>	<b>9,437</b>
Non-current assets (as at June 30)		
- Sweden	8,717	14,493
- Germany	3,307	3,606
- United States	1,494	2,222
- Other countries	1,260	1,475
<b>Total non-current assets (as at June 30)<sup>3</sup></b>	<b>14,778</b>	<b>21,796</b>

<sup>1</sup> "Net result from financial transactions" is excluded from the income analysis since it is not applicable to a specific geography or income category.

<sup>2</sup> "Other income" includes marketing income, interest income of liquidity assets and Klarna card interchange income.

<sup>3</sup> Non-current assets includes tangible assets, intangible assets, long term contract assets and bills and bonds of duration greater than 12 months.

<sup>4</sup> The presentation comparatives for January - June 2023 have been updated to reflect changes in internal financial reporting, including the restatement described in note 4.

Total net operating income is net of Commission expense, Interest expense and Net result from financial transactions. These items impact larger markets proportionally more and thus comparing growth in Total net operating income may not accurately reflect underlying market growth.

### Note 4 Interest income

	Jan - Jun 2024	Jan - Jun 2023
Loans to credit institutions	634	180
Loans to the public (restated)	2,025	1,819
Other interest income	152	279
<b>Total</b>	<b>2,811</b>	<b>2,278</b>

Interest income is calculated using the effective interest rate method.

During the period ended December, 31 2023, we refined revenue recognition policies relating to the following items and reclassified the 2023 presentation accordingly:

- Certain administrative fees earned were reclassified from Interest income to Commission income. The fees reclassified for the period ending June, 30 2023 amounted to SEK 397m.
- Merchant fees earned from promotional loans were reclassified from Commission income to Interest income and recognized using the Effective Interest Rate (EIR) method. For the period ending June 30, 2023, this reclassification resulted in an increase in Interest income of SEK 104m and a decrease in Commission income of SEK 78m. The retrospective application of the change resulted in a reduction of SEK 168m in Loans to the Public and Equity as at January 1, 2023.

### Note 5 Interest expenses

	Jan - Jun 2024	Jan - Jun 2023
Interest-bearing securities and chargeable treasury bills etc.	(104)	(96)
Liabilities to credit institutions	(91)	(51)
Deposits from the public	(1,746)	(696)
Debt securities issued	(21)	(24)
Subordinated liabilities	(71)	(17)
Other interest expenses	(110)	(174)
<b>Total</b>	<b>(2,143)</b>	<b>(1,058)</b>

Interest expense is calculated using the effective interest rate method.

### Note 6 Commission income

Commission income split by product category	Jan - Jun 2024	Jan - Jun 2023
Retailer (restated)	7,717	6,276
Consumer (restated)	2,391	1,423
Other	88	76
<b>Total</b>	<b>10,196</b>	<b>7,775</b>

Commission income for January - June 2023 is restated following a reclassification of certain fees, see more information in note 4, resulting in an increase in Commission income of SEK 319m (impacting lines Consumer and Retailer within the note).



## Note 7 Credit losses, net

Loan losses divided by class	Jan - Jun 2024	Jan - Jun 2023
<b>Loans to credit institutions</b>		
Increase in provisions	(45)	(27)
Reversal of previous provisions	47	27
<b>Total</b>	<b>2</b>	<b>-</b>
<b>Loans to the public</b>		
Realized loan losses, net of recoveries	(2,651)	(2,114)
Release in provisions to cover realized loan losses	2,626	2,145
Increase in provisions	(6,795)	(7,313)
Reversal of previous provisions	4,393	5,501
<b>Total</b>	<b>(2,427)</b>	<b>(1,781)</b>
<b>Financial guarantees and commitments</b>		
Increase in provisions	(32)	(36)
Reversal of previous provisions	64	66
<b>Total</b>	<b>32</b>	<b>30</b>
<b>Total credit losses, net</b>	<b>(2,393)</b>	<b>(1,751)</b>

Unlike the balance sheet, which shows a snapshot of assets and liabilities at the end of each period, the credit losses in the income statement reflect provisions for future losses and realized losses associated with Klarna's operating activities during the period, including consumer credit losses, merchant counterparty losses, and other related credit losses.

Credit losses, net as a percentage of GMV was 0.46% (H123: 0.39%).

## Note 8 Loans to the public

	30 Jun 2024	31 Dec 2023
Loans to the public	93,332	89,602
Allowance for credit losses	(3,413)	(3,494)
<b>Total</b>	<b>89,919</b>	<b>86,108</b>

For the fair value amounts, see note 12.

Loans to the public of SEK 89.9bn as at June 30, 2024 (86.1bn as at December 31, 2023) are loans still owed. This balance is only partially comparable to credit losses on the income statement as the income statement reports all activity during the period (year), while the balance sheet is a snapshot of lending outstanding as at each period end.

## Note 9 Debt securities issued

	30 Jun 2024	31 Dec 2023
Senior unsecured bonds	1,500	451
Commercial papers	212	200
<b>Total</b>	<b>1,712</b>	<b>651</b>

During 2024, related to Senior unsecured bonds, a total of SEK 1,500m nominal of notes has been issued under the Klarna Bank Medium Term Notes program, whereas a nominal of SEK 364m has matured and SEK 84m has been repurchased and cancelled.

For the fair value amounts, see note 12.



## Note 10 Other liabilities

	30 Jun 2024	31 Dec 2023
Accounts payable	182	414
Personnel related taxes	151	80
Current tax liabilities	153	177
Liabilities to retailers	11,522	8,479
Derivatives	377	268
Lease liabilities	1,094	1,234
Other liabilities	1,206	1,320
<b>Total</b>	<b>14,685</b>	<b>11,972</b>

An amount of SEK 627m relating to cash received from customers pending allocation at June 30, 2023 has been reclassified from Other Liabilities to Deposits from the Public.

For the fair value amounts, see note 12.

## Note 11 Pledged assets and contingent liabilities

	30 Jun 2024	31 Dec 2023
<b>Pledged assets</b>		
<i>Assets pledged for own liabilities</i>		
Pledged loans to the public and credit institutions	149	2,775
<i>Other pledged assets</i>	35	32
<b>Total</b>	<b>184</b>	<b>2,807</b>
<b>Contingent liabilities and commitments</b>		
<i>Commitments</i>	13,451	15,424
<b>Total</b>	<b>13,451</b>	<b>15,424</b>

Commitment to refund consumers in the event of returns to a defaulted retailer amounted to SEK 12,592m as at June 30, 2024 (14,747m as at December 31, 2023). Commitment to fund loans as at June 30, 2024 amounted to SEK 859m (677m as at December 31, 2023).

## Note 12 Fair value of financial assets and liabilities

The Group's basis for establishing the fair value of financial assets and liabilities are presented below.

For Cash and balances with central banks the carrying amount is a reasonable approximation of the fair value.

Treasury bills chargeable at central banks, etc., Bonds and other interest-bearing securities, and repurchase agreements within Liabilities to credit institutions are valued in terms of the active market prices.

Carrying amount for Loans to credit institutions and Loans to the public are assumed to be approximations of fair value. Fair value on short-term (<1 year) loans is equivalent to their booked value since the effect of discounting is insignificant.

The fair value for Other shares and participations is based on quoted market prices where available or valuation techniques using unobservable data (see note 13 Classification of financial assets and liabilities for further detail on basis).

For derivatives the fair value is based upon input parameters which are observable from independent and reliable market data sources.

For Other assets and liabilities (excluding derivatives) and Prepaid and accrued expenses and income the fair value is the carrying amount of these financial instruments as they are short term in nature.

The carrying value for Liabilities to credit institutions generally approximates the fair value.

The calculation of fair value of Deposits from the public is based on Level 2 input using observable market data. Deposits from the public are grouped into maturity buckets and thereafter the net present value is calculated based on the remaining maturity and the corresponding interest rate.

Fair value of issued Debt securities and Subordinated liabilities are determined using the quoted market price at the balance sheet date where available (in the case of level 1) or using observable inputs (in the case of level 2).



The below fair values are calculated for disclosure purposes only.

	30 Jun 2024			31 Dec 2023		
	Fair value	Carrying amount	Difference	Fair value	Carrying amount	Difference
<b>Assets</b>						
Cash and balances with central banks	31,061	31,061	-	22,028	22,028	-
Treasury bills chargeable at central banks, etc.	12,976	13,122	(146)	7,021	7,267	(246)
Loans to credit institutions	3,970	3,970	-	4,502	4,502	-
Loans to the public	89,919	89,919	-	86,108	86,108	-
Bonds and other interest-bearing securities	296	304	(8)	492	506	(14)
Other shares and participations	469	469	-	345	345	-
Other assets	347	347	-	388	388	-
Other assets (derivatives)	12	12	-	585	585	-
Prepaid expenses and accrued income	635	635	-	582	582	-
<b>Total</b>	<b>139,685</b>	<b>139,839</b>	<b>(154)</b>	<b>122,051</b>	<b>122,311</b>	<b>(260)</b>

	30 Jun 2024			31 Dec 2023		
	Fair value	Carrying amount	Difference	Fair value	Carrying amount	Difference
<b>Liabilities</b>						
Liabilities to credit institutions	1,747	1,747	-	1,636	1,636	-
Deposits from the public	107,191	106,323	868	97,365	97,096	269
Debt securities issued	1,719	1,712	7	648	651	(3)
Other liabilities	13,895	13,895	-	11,315	11,315	-
Other liabilities (derivatives)	377	377	-	268	268	-
Accrued expenses and prepaid income	3,927	3,927	-	3,595	3,595	-
Subordinated liabilities	1,881	1,839	42	769	751	18
<b>Total</b>	<b>130,737</b>	<b>129,820</b>	<b>917</b>	<b>115,596</b>	<b>115,312</b>	<b>284</b>

## Note 13 Classification of financial assets and liabilities into measurement categories

30 Jun 2024	Fair value through profit or loss	Amortized cost	Non-financial assets	Total
<b>Assets</b>				
Cash and balances with central banks	-	31,061	-	<b>31,061</b>
Treasury bills chargeable at central banks, etc.	-	13,122	-	<b>13,122</b>
Loans to credit institutions	-	3,970	-	<b>3,970</b>
Loans to the public	-	89,919	-	<b>89,919</b>
Bonds and other interest-bearing securities	-	304	-	<b>304</b>
Other shares and participations	469	-	-	<b>469</b>
Intangible assets	-	-	11,647	<b>11,647</b>
Tangible assets	-	-	1,136	<b>1,136</b>
Deferred tax assets	-	-	310	<b>310</b>
Other assets	12	347	1,600	<b>1,959</b>
Prepaid expenses and accrued income	-	635	391	<b>1,026</b>
<b>Total</b>	<b>481</b>	<b>139,358</b>	<b>15,084</b>	<b>154,923</b>

30 Jun 2024	Fair value through profit or loss	Amortized cost	Non-financial liabilities	Total
<b>Liabilities</b>				
Liabilities to credit institutions	-	1,747	-	<b>1,747</b>
Deposits from the public	-	106,323	-	<b>106,323</b>
Debt securities issued	-	1,712	-	<b>1,712</b>
Deferred tax liabilities	-	-	7	<b>7</b>
Other liabilities	377	13,895	413	<b>14,685</b>
Accrued expenses and prepaid income	-	3,927	8	<b>3,935</b>
Provisions	-	-	93	<b>93</b>
Subordinated liabilities	-	1,839	-	<b>1,839</b>
<b>Total</b>	<b>377</b>	<b>129,443</b>	<b>521</b>	<b>130,341</b>



## Classification of financial assets and liabilities into measurement categories

31 Dec 2023	Fair value through profit or loss	Amortized cost	Non-financial assets	Total
<b>Assets</b>				
Cash and balances with central banks	-	22,028	-	22,028
Treasury bills chargeable at central banks, etc.	-	7,267	-	7,267
Loans to credit institutions	-	4,502	-	4,502
Loans to the public	-	86,108	-	86,108
Bonds and other interest-bearing securities	-	506	-	506
Other shares and participations	345	-	-	345
Intangible assets	-	-	12,050	12,050
Tangible assets	-	-	1,228	1,228
Deferred tax assets	-	-	282	282
Other assets	585	388	1,802	2,775
Prepaid expenses and accrued income	-	582	263	845
<b>Total</b>	<b>930</b>	<b>121,381</b>	<b>15,625</b>	<b>137,936</b>

31 Dec 2023	Fair value through profit or loss	Amortized cost	Non-financial liabilities	Total
<b>Liabilities</b>				
Liabilities to credit institutions	-	1,636	-	1,636
Deposits from the public	-	97,096	-	97,096
Debt securities issued	-	651	-	651
Deferred tax liabilities	-	-	5	5
Other liabilities	268	11,315	389	11,972
Accrued expenses and prepaid income	-	3,595	23	3,618
Provisions	-	-	128	128
Subordinated liabilities	-	751	-	751
<b>Total</b>	<b>268</b>	<b>115,044</b>	<b>545</b>	<b>115,857</b>

On June 24, 2024, Klarna announced the divestment of Klarna Checkout ("KCO"), which resulted in a reclassification of the KCO operation as held for sale. Klarna measures the asset group classified as held for sale at the lower of its carrying amount and fair value less costs to sell. See further in note 16.

## Classification of financial assets and liabilities into measurement categories

### Financial assets and liabilities - measurement

For financial assets and liabilities measured at fair value the Group uses different methods to determine the fair value. The methods are divided into three levels in accordance with IFRS 13.

#### Level 1

Level 1 in the fair value hierarchy consists of assets and liabilities where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities. This category includes certain investments in other shares and participations.

#### Level 2

Level 2 consists of assets and liabilities where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. This is for example the case for derivatives within other assets and other liabilities where active markets supply the input to the valuation.

#### Level 3

Level 3 includes estimated values based on assumptions and assessments where one or more significant inputs are not based on observable market information. Level 3 is used for certain items within other shares and participations and for certain items in debt securities in issue.

The following table shows the financial assets and liabilities measured at fair value, divided into the three valuation levels. No transfers between levels have been made during the period.

30 Jun 2024	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Other shares and participations	193	-	276	469
Other assets (derivatives)	-	12	-	12
<b>Total</b>	<b>193</b>	<b>12</b>	<b>276</b>	<b>481</b>
<b>Financial liabilities</b>				
Debt securities issued	-	-	-	-
Other liabilities (derivatives)	-	377	-	377
<b>Total</b>	<b>-</b>	<b>377</b>	<b>-</b>	<b>377</b>

31 Dec 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Other shares and participations	81	-	264	345
Other assets (derivatives)	-	585	-	585
<b>Total</b>	<b>81</b>	<b>585</b>	<b>264</b>	<b>930</b>
<b>Financial liabilities</b>				
Debt securities issued	-	-	-	-
Other liabilities (derivatives)	-	268	-	268
<b>Total</b>	<b>-</b>	<b>268</b>	<b>-</b>	<b>268</b>



## Classification of financial assets and liabilities into measurement categories

### Movements in Level 3

The following tables show a reconciliation of the opening and closing balances of Level 3 financial assets and liabilities which are recorded at fair value.

	Financial assets	Financial liabilities
	Other shares and participations	Debt securities issued <sup>2</sup>
<b>Balance as at January 1, 2024</b>	<b>264</b>	-
Gain/loss in income statement <sup>1</sup>	(1)	-
of which: unrealized gain/loss	(1)	-
Impact of foreign exchange movements	13	-
<b>Balance as at June 30, 2024</b>	<b>276</b>	-

	Financial assets	Financial liabilities
	Other shares and participations	Debt securities issued <sup>2</sup>
<b>Balance as at January 1, 2023</b>	<b>271</b>	<b>539</b>
Gain/loss in income statement <sup>1</sup>	1	(211)
of which: unrealized gain/loss	1	-
of which: realized gain/loss	-	(211)
Repurchase	-	(331)
Impact of foreign exchange movements	(8)	3
<b>Balance as at December 31, 2023</b>	<b>264</b>	-

<sup>1</sup> Fair value gains and losses recognized in the income statement are included in Net result from financial transactions.

<sup>2</sup> The value of Debt securities issued has been established using valuation models.

The Group uses a range of unobservable inputs and valuation techniques such as the current interest rate, equity markets, expected future cash flows and options models to determine the fair value of level 3 financial instruments.

The impact of a 10% increase in the valuation of Other shares and participations would increase assets by SEK 28m (27m). The impact of a 10% decrease would decrease assets by SEK 28m (27m).

## Note 14 Information on related parties

The following are defined as related parties: all companies within the Group, shareholders with significant influence, board members of Klarna Holding AB (publ) and Klarna Bank AB (publ), key management personnel, as well as close family members of and companies significantly influenced by such board members or key management personnel.

During the period, in addition to the Group Reorganization described in Note 1, there have been normal business transactions between companies in the Group and agreed remuneration has been paid to the CEO, Board of directors and other management personnel.

## Note 15 Capital adequacy and leverage ratio

### Capital adequacy regulations

Capital adequacy refers to the ability of an institution's Own Funds to cover the risk it is exposed to. Within the EU the capital adequacy requirements are contained in the Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR), both implemented in 2014. These regulations are based on the global capital adequacy standards Basel II and III, and define minimum requirements for total own funds in relation to risk-weighted exposure amounts (Pillar I), rules for the Internal Capital Adequacy Process and Internal Liquidity Adequacy Assessment Process "ICLAAP" as well as the Supervisory Review and Evaluation Process "SREP" (Pillar II), and rules for disclosures on risk, capital adequacy among others. (Pillar III).

The information about capital adequacy in this document is based on the Swedish Financial Supervisory Authority regulations (FFFS 2008:25 and FFFS 2014:12). Other disclosures required under Pillar III as well as the Capital adequacy reports are published on Klarna's homepage [www.klarna.com](http://www.klarna.com).

### Common Equity Tier 1 capital

Klarna Holding AB (publ) reported a CET1 capital amount of SEK 11,220m as of June 30, 2024 (11,632m as of December 31, 2023).

During H1 2024, Common Equity Tier 1 for the consolidated situation of Klarna Holding AB (publ) decreased by SEK 412m mainly from operating losses incurred during the period (SEK -267m), and a reduction in the IFRS9 transitional relief (SEK -270m) due to the updated dynamic factor of 2024.

### Additional Tier 1 capital

On March 25, 2022 Klarna Bank AB (publ) issued SEK 276m Additional Tier 1 capital instruments. The instruments have a floating coupon rate corresponding to STIBOR 3M plus 7% per annum. The securities were offered to a limited number of large Nordic investors and the first call date is March 25, 2027.

On February 1, 2024 Klarna Holding AB (publ) issued SEK 1.5bn Additional Tier 1 capital instruments. The instruments have a floating coupon rate corresponding to STIBOR 3M plus 9.5% per annum. The securities were offered to a number of large Nordic investors and the first call date is February 1, 2029.

### Subordinated liabilities

On May 16, 2023, Klarna Holding AB (publ) issued SEK 500m subordinated notes due 2033. The notes have a floating coupon rate corresponding to STIBOR 3M plus 7.5% per annum. The notes were offered to a limited number of large Nordic investors and the first call date is May 16, 2028.

On August 16, 2023, Klarna Holding AB (publ) issued SEK 250m subordinated notes due 2033. The notes have a floating coupon rate corresponding to STIBOR 3M plus 7.5% per annum. The notes were offered to a limited number of large Nordic investors and the first call date is August 16, 2028.

On April 19, 2024, Klarna Holding AB (publ) issued USD 100m subordinated notes due 2034. The notes have a floating coupon rate corresponding to SOFR (Index) plus 7% per annum. The notes were allocated to a limited number of large international investors and the first call date is April 19, 2029.

The three subordinated notes are eligible for inclusion as Tier 2 capital in accordance with current regulations.

### Consolidated situation and methods for calculating minimum requirements

In accordance with capital adequacy regulations, the consolidated situation is made up of Klarna Holding AB (publ) (Klarna Bank AB (publ)'s parent company) and its subsidiaries. All subsidiaries are fully consolidated in the Group. Klarna Bank AB (publ) is a registered bank under the supervision of the Swedish Financial Supervisory Authority (Finansinspektionen). Klarna Bank AB (publ) uses the standardized method for calculating the minimum capital requirements for credit, as well as market risk, and the alternative standardized approach for operational risk regarding Klarna Bank AB (publ) and its consolidated situation. The approval for calculating minimum capital requirement for operational risk using the alternative standardized approach was granted by the Finansinspektionen in December 2019.



## Capital adequacy and leverage ratio

### Pillar II Requirements and Guidance

Pillar II requirements cover risks that are not or are insufficiently covered by Pillar I and are determined by the Swedish Financial Supervisory Authority (SFSA) as the result of its periodic Supervisory Risk Evaluation Process (SREP). From September 29, 2023, Klarna Group's Pillar II requirements were 0.94% of the risk exposure amount.

Pillar II Guidance is the level of capital that the SFSA assesses to be a suitable level for each bank to hold to cover, for example, risks or aspects of risks and manage future stressed situations. From September 29, 2023, Klarna's Pillar II Guidance amount is set to 3.5% of the risk exposure amount.

### The Internal Capital Adequacy Assessment Process and Internal Liquidity Adequacy Assessment Process (Pillar II)

The objective of the Internal Capital Adequacy Assessment Process and Internal Liquidity Adequacy Assessment Process (ICLAAP) is to ensure that Klarna clearly and correctly identifies, assesses and manages all risk to which it is exposed. The process considers the financial resources required to cover such risk, and to ensure that Klarna has access to sufficient capital and liquidity to support its business strategy over the coming planning horizon with regards to different market conditions. The main governing document for the ICLAAP is the ICLAAP policy. In this document, Klarna's board defines the responsibilities, processes and rules of the ICLAAP. The ICLAAP report is updated at least yearly.

The internally assessed capital requirement is based on the minimum capital requirement under Pillar I, the capital requirement for risks managed under Pillar II and the combined buffer requirements. The internally assessed capital required as per June 30, 2024 amounts to SEK 11,969m (SEK 11,513m as per December 31, 2023) for Klarna Bank AB (publ) and SEK 9,651m for the consolidated situation (SEK 9,074m as per December 31, 2023). Klarna thereby has sufficient capital to cover for required capital under Pillar I and Pillar II, including combined buffer requirements.

### Capital Buffer Requirements

As at June 30, 2024, Klarna was subject to a Capital conservation buffer of 2.5% and to a Countercyclical capital buffer of 1.06% of the risk exposure amount for the consolidated situation (0.98% as of December 31, 2023), and 1.05% of the risk exposure amount for Klarna Bank AB (publ) (1.04% as of December 31, 2023).

### Capital adequacy disclosure

Capital adequacy disclosures in accordance with the requirements in Commission Implementing Regulation (EU) No 2021/637 and the Swedish Financial Supervisory Authority (Finansinspektionen) requirements FFFS 2014:12 can be found in Klarna's Capital adequacy reports.

### IFRS 9 transitional adjustments

From January 1, 2018, Klarna applied the transitional rules in accordance with article 473a of the European Union regulation no 575/2013 in order to phase in the effect on the capital when applying IFRS 9. The capital adequacy calculations are adjusted with one dynamic and two static amounts over a period spanning 5 years.

As of January 1, 2023, the capital adequacy calculations were modified to include the dynamic component only, as the static component is zero from January 1, 2023 onwards.

### Excess subsidiary capital deduction

In accordance with Article 85 and 87 of CRR Klarna Bank AB (publ)'s Tier 1 and Tier 2 capital can only be included in the capital base of Klarna Holding Group with the share required to cover the minimum capital requirements of Klarna Bank AB (publ). As of June 30, 2024, an amount of SEK 1,636m Additional Tier 1 capital instruments issued by Klarna Bank AB (publ) were included in the Own funds of Klarna Holding AB (publ) consolidated.

Capital adequacy information	Consolidated situation		Klarna Bank AB (publ)	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
<b>Own funds, total risk exposure amount and total leverage ratio exposure</b>				
Common Equity Tier 1 capital	11,220	11,632	19,529	14,544
Tier 1 capital	12,856	11,809	19,805	14,820
Own funds	14,696	12,560	19,805	14,820
Total risk exposure amount	75,371	71,794	93,232	90,210
Total leverage ratio exposure	148,533	131,831	162,473	145,722
<b>Capital adequacy analysis</b>				
Common Equity Tier 1 capital ratio	14.9%	16.2%	20.9%	16.1%
Tier 1 capital ratio	17.1%	16.4%	21.2%	16.4%
Total capital ratio	19.5%	17.5%	21.2%	16.4%
Leverage ratio	8.7%	9.0%	12.2%	10.2%
<b>Requirements</b>				
Overall capital requirement (OCR) ratio	12.5%	12.4%	12.7%	12.7%
of which: Pillar II requirement	0.9%	0.9%	1.1%	1.1%
of which: capital conservation buffer requirement	2.5%	2.5%	2.5%	2.5%
of which: countercyclical buffer requirement	1.1%	1.0%	1.0%	1.0%
CET1 available after meeting the total SREP own funds requirements (%)	9.9%	11.2%	15.8%	11.0%
OCR and Pillar II Guidance (P2G)	16.0%	15.9%	12.7%	12.7%
of which: P2G	3.5%	3.5%	0.0%	0.0%
<b>Exposure amounts for credit risk according to the standardized approach</b>				
Credit risk including counterparty credit risk	132,217	115,018	143,853	127,341
of which: central governments or central banks	35,733	23,192	35,361	22,863
of which: regional governments or local authorities	5,001	2,683	5,001	2,683
of which: public sector entities	1,097	1,163	1,097	1,163
of which: multilateral development banks	2,145	1,777	2,145	1,777
of which: International organisations	935	1,102	935	1,102
of which: institutions	4,602	5,910	2,491	3,158
of which: corporates	9,403	9,440	27,449	22,687
of which: retail	68,005	63,938	50,550	51,787
of which: exposures in default	639	567	640	565
of which: covered bonds	304	506	304	506
of which: equity	469	345	14,945	15,810
of which: other items	3,884	4,395	2,935	3,240
<b>Total exposure amount</b>	<b>132,217</b>	<b>115,018</b>	<b>143,853</b>	<b>127,341</b>
<b>Risk exposure amounts according to the standardized approach</b>				
Credit risk including counterparty credit risk	66,988	64,479	84,849	82,197
of which: institutions	920	1,182	498	632
of which: corporates	9,134	9,151	27,188	22,396
of which: retail	51,003	47,953	37,913	38,840
of which: exposures in default	709	620	788	731
of which: covered bonds	30	51	30	51
of which: equity	883	742	15,359	16,207
of which: other items	4,309	4,780	3,073	3,340
Securitization positions	1,431	1,445	1,431	1,445
Market risk	2,314	1,217	2,036	1,637
of which: foreign exchange risk	2,314	1,217	2,036	1,637
Operational risk	4,535	4,535	4,813	4,813
Credit valuation adjustments	103	118	103	118
<b>Total risk exposure amount</b>	<b>75,371</b>	<b>71,794</b>	<b>93,232</b>	<b>90,210</b>



	Consolidated situation		Klarna Bank AB (publ)	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
<b>Total minimum capital requirements</b>				
Credit risk including counterparty credit risk	5,359	5,158	6,788	6,576
of which: institutions	74	95	40	51
of which: corporates	731	732	2,175	1,791
of which: retail	4,080	3,836	3,033	3,107
of which: exposures in default	57	50	63	59
of which: covered bonds	2	4	2	4
of which: equity	71	59	1,229	1,297
of which: other items	344	382	246	267
Securitization positions	114	116	114	116
Market risk	185	97	163	131
of which: foreign exchange risk	185	97	163	131
Operational risk	363	363	385	385
Credit valuation adjustments	8	9	8	9
<b>Total minimum capital requirement</b>	<b>6,029</b>	<b>5,743</b>	<b>7,458</b>	<b>7,217</b>
<b>Own funds disclosure</b>				
<b>Common Equity Tier 1 capital: instruments and reserves</b>				
Capital instruments and the related share premium accounts	42,095	42,089	40,687	35,317
Retained earnings	(20,917)	(18,559)	(20,937)	(17,717)
Accumulated other comprehensive income (and other reserves)	1,009	590	1,404	1,276
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>22,187</b>	<b>24,120</b>	<b>21,154</b>	<b>18,876</b>
<b>Common Equity Tier 1 capital: regulatory adjustments</b>				
Additional value adjustments	(1)	(1)	(1)	(1)
Intangible assets (net of related tax liability)	(10,470)	(10,288)	(1,390)	(1,414)
Losses for the current period	(267)	(2,332)	-	(3,028)
IFRS 9 transitional adjustments to CET1 Capital	225	496	192	449
Deferred tax assets rely on future profitability	(28)	(25)	-	-
Securitization positions alternatively subject to a 1250% risk weight	(426)	(338)	(426)	(338)
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1) capital</b>	<b>(10,967)</b>	<b>(12,488)</b>	<b>(1,625)</b>	<b>(4,332)</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>11,220</b>	<b>11,632</b>	<b>19,529</b>	<b>14,544</b>
<b>Additional Tier 1 (AT1) capital instruments</b>				
Capital instruments and the related share premium accounts	1,500	-	276	276
of which: classified as equity under applicable accounting standards	1,500	-	276	276
Qualifying Tier 1 capital included in consolidated AT1 capital issued by subsidiaries and held by third parties	136	177	-	-
<b>Total Additional Tier 1 (AT1) capital instruments</b>	<b>1,636</b>	<b>177</b>	<b>276</b>	<b>276</b>
<b>Tier 1 capital</b>	<b>12,856</b>	<b>11,809</b>	<b>19,805</b>	<b>14,820</b>
<b>Tier 2 (T2) capital instruments</b>				
Capital instruments and the related share premium accounts	1,840	751	-	-
Qualifying own funds instruments included in consolidated T2 issued by subsidiaries and held by third party	-	-	-	-
<b>Total Tier 2 (T2) capital instruments</b>	<b>1,840</b>	<b>751</b>	<b>-</b>	<b>-</b>
<b>Own funds</b>	<b>14,696</b>	<b>12,560</b>	<b>19,805</b>	<b>14,820</b>

## Note 16 Assets and liabilities classified as held for sale

On June 24, 2024, Klarna announced the divestment of Klarna Checkout ("KCO") to a consortium of investors with expected closing on October 1, 2024. Based on the divestment and the signed share purchase agreement ("SPA"), the assets and liabilities to be sold were therefore classified as held for sale in the consolidated statement of financial position as of June 30, 2024.

KCO is a shopping solution that provides consumers and merchants with a personalized shopping experience, ranging from an address module and payment selector to a purchase button and an unobtrusive approval process. KCO includes several different payment options, both Klarna's proprietary products, and other non-Klarna payment options, offered via or supported by third-party payment option providers.

The consolidated statements of financial position as of June 30, 2024, presents assets and liabilities to be disposed of as held for sale, comparative periods are not restated in accordance with IFRS 5. Currently, KCO is an integrated offering within Klarna. All contracts, assets, liabilities, and employees related to KCO are to transfer from Klarna Bank AB (publ) to a newly established company prior to closing. The transfer is expected to complete through a business transfer agreement. The transaction includes around 24,000 KCO merchants with more than SEK 145bn in Gross merchandise volume (GMV) and net revenue of SEK 1,491m for fiscal year 2023, ten related full time employees and the core checkout technology. The newly established company will thereafter be divested to the Buyers under the SPA.

The following table presents information related to the major classes of assets and liabilities that are classified as held for sale in the consolidated balance sheet.

	30 Jun 2024
Loans to the public	85
Intangible assets	213
<b>Total assets classified as held for sale</b>	<b>298</b>
Other liabilities	(1,100)
Accrued expenses and prepaid income	(23)
<b>Total liabilities associated with assets classified as held for sale</b>	<b>(1,123)</b>
<b>Net liabilities classified as held for sale</b>	<b>(825)</b>

Goodwill of SEK 213m has been allocated to KCO measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit being retained by Klarna. Besides this, other material assets and liabilities related to KCO consists of Merchant receivables of SEK 85m, Merchant liabilities of SEK 1,100m and other accrued expenses related to payroll, social charges among others of SEK 23m. Determining amounts related to KCO involves elements of management estimates and judgment.

The fair value, based on the purchase price in the SPA, exceeds the carrying value of the KCO assets and accordingly no impairment loss has been recognized on the classification as held for sale as of June 30, 2024. Klarna determined that the operation of its KCO part of the business did not meet the criteria to be classified as discontinued operations under IFRS as it is not a major business line or a geographic area of operations and KCOs operations or cash-flows have historically not been clearly distinguishable.



## Note 17 Significant events after the end of the reporting period

No significant events have occurred after the closing date.

## Income Statement, Parent Company

Amounts in SEKm	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
Administrative expenses	(31)	(52)	(108)
<b>Operating result</b>	<b>(31)</b>	<b>(52)</b>	<b>(108)</b>
<b>Income from financial items</b>			
Other interest income and similar items	294	155	329
Financial expenses	(73)	(8)	(48)
<b>Total income from financial items</b>	<b>221</b>	<b>147</b>	<b>281</b>
<b>Result after financial items</b>	<b>190</b>	<b>95</b>	<b>173</b>
Income tax	-	(20)	9
<b>Net result for the period</b>	<b>190</b>	<b>75</b>	<b>182</b>

## Statement of Comprehensive Income, Parent Company

Amounts in SEKm	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
Net result for the period	190	75	182
<b>Total comprehensive income for the period</b>	<b>190</b>	<b>75</b>	<b>182</b>



## Balance Sheet, Parent Company

Amounts in SEKm	Note	30 Jun 2024	31 Dec 2023	30 Jun 2023
<b>Assets</b>				
<b>Financial non-current assets</b>				
Shares and participations in group companies	3	41,467	36,130	34,130
Receivables	4	4,639	7,225	8,622
<b>Total financial non-current assets</b>		<b>46,106</b>	<b>43,355</b>	<b>42,752</b>
<b>Current assets</b>				
Receivables	4	12	24	10
Cash and bank balances		12	-	-
<b>Total current assets</b>		<b>24</b>	<b>24</b>	<b>10</b>
<b>Total assets</b>		<b>46,130</b>	<b>43,379</b>	<b>42,762</b>
<b>Equity</b>				
Share capital		3	3	3
Share premium reserve		42,098	42,092	41,709
Additional Tier 1 instruments		1,500	-	256
Retained earnings		437	266	155
Net result for the period		190	182	75
<b>Total equity</b>		<b>44,228</b>	<b>42,543</b>	<b>42,198</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Subordinated liabilities		1,839	751	505
Other liabilities		48	54	55
Accrued expenses		15	31	4
<b>Total current liabilities</b>		<b>1,902</b>	<b>836</b>	<b>564</b>
<b>Total equity and liabilities</b>		<b>46,130</b>	<b>43,379</b>	<b>42,762</b>

## Statement of Changes in Equity, Parent Company

Amounts in SEKm	Restricted equity		Non-restricted equity			Total equity
	Share capital	Share premium reserve	Additional Tier 1 instruments	Retained earnings	Net result	
<b>Balance as at January 1, 2024</b>	<b>3</b>	<b>42,092</b>	<b>-</b>	<b>266</b>	<b>182</b>	<b>42,543</b>
Transfer of previous year's net result	-	-	-	182	(182)	-
<i>Net result for the period</i>	-	-	-	-	190	190
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190</b>	<b>190</b>
Share warrants	-	6	-	-	-	6
Share-based payments	-	-	-	50	-	50
Restricted stock units	-	-	-	2	-	2
Additional Tier 1 instruments <sup>1</sup>	-	-	1,500	(63)	-	1,437
<b>Balance as at June 30, 2024</b>	<b>3</b>	<b>42,098</b>	<b>1,500</b>	<b>437</b>	<b>190</b>	<b>44,228</b>

Amounts in SEKm	Restricted equity		Non-restricted equity			Total equity
	Share capital	Share premium reserve	Additional Tier 1 instruments	Retained earnings	Net result	
<b>Balance as at January 1, 2023</b>	<b>3</b>	<b>41,569</b>	<b>256</b>	<b>1,203</b>	<b>(1,184)</b>	<b>41,847</b>
Reclassification	-	3	-	-	-	3
Transfer of previous year's net result	-	-	-	(1,184)	1,184	-
<i>Net result for the period</i>	-	-	-	-	75	75
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75</b>	<b>75</b>
New share issue	-	131	-	-	-	131
Share warrants	-	6	-	-	-	6
Share-based payments	-	-	-	143	-	143
Restricted stock units	-	-	-	2	-	2
Additional Tier 1 instruments <sup>1</sup>	-	-	-	(9)	-	(9)
<b>Balance as at June 30, 2023</b>	<b>3</b>	<b>41,709</b>	<b>256</b>	<b>155</b>	<b>75</b>	<b>42,198</b>

<sup>1</sup> Amounts in Additional Tier 1 instruments column consist of issued instruments, while amounts in Retained earnings column consist of interest on and cost of issuance of these issued instruments.



Amounts in SEKm	Restricted equity	Non-restricted equity				Total equity
	Share capital	Share premium reserve	Additional Tier 1 instruments	Retained earnings	Net result	
<b>Balance as at January 1, 2023</b>	<b>3</b>	<b>41,569</b>	<b>256</b>	<b>1,203</b>	<b>(1,184)</b>	<b>41,847</b>
Reclassification	-	3	-	-	-	3
Transfer of previous year's net result	-	-	-	(1,184)	1,184	-
<i>Net result for the year</i>	-	-	-	-	182	<b>182</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>182</b>	<b>182</b>
New share issue	-	515	-	-	-	<b>515</b>
Share warrants	-	5	-	-	-	<b>5</b>
Share-based payments	-	-	-	292	-	<b>292</b>
Restricted stock units	-	-	-	4	-	<b>4</b>
Additional Tier 1 instruments <sup>1</sup>	-	-	-	(19)	-	<b>(19)</b>
Redeemed Additional Tier 1 instruments	-	-	(256)	(30)	-	<b>(286)</b>
<b>Balance as at December 31, 2023</b>	<b>3</b>	<b>42,092</b>	<b>-</b>	<b>266</b>	<b>182</b>	<b>42,543</b>

<sup>1</sup> Amounts in Additional Tier 1 instruments column consist of issued instruments, while amounts in Retained earnings column consist of interest on and cost of issuance of these issued instruments.

Share capital: 30,334,909 shares as at June 30, 2024 (30,334,909 as at December 31, 2023; 30,135,940 as at June 30, 2023), quota value 0.1 (0.1; 0.1).

## Cash Flow Statement, Parent Company

Amounts in SEKm	Note	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
<b>Operating activities</b>				
Operating result		(31)	(52)	(108)
<i>Adjustments for items in operating activities</i>				
Financial items, net		184	143	263
Share-based payments		2	2	4
<i>Changes in the assets and liabilities of operating activities</i>				
Change in other assets and liabilities		2,627	576	2,164
<b>Cash flow from operating activities</b>		<b>2,782</b>	<b>669</b>	<b>2,323</b>
<b>Investing activities</b>				
Investments in subsidiaries	3	(5,337)	(1,262)	(3,262)
<b>Cash flow from investing activities</b>		<b>(5,337)</b>	<b>(1,262)</b>	<b>(3,262)</b>
<b>Financing activities</b>				
New share issue		-	52	436
Share warrants		6	7	5
Issued Additional Tier 1 instruments		1,500	-	-
Redeemed Additional Tier 1 instruments		-	-	(286)
Issued subordinated liabilities		1,061	500	750
<b>Cash flow from financing activities</b>		<b>2,567</b>	<b>559</b>	<b>905</b>
<b>Cash flow for the period</b>		<b>12</b>	<b>(34)</b>	<b>(34)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>-</b>	<b>34</b>	<b>34</b>
Cash flow for the period		12	(34)	(34)
<b>Cash and cash equivalents at the end of the period</b>		<b>12</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents include the following items</b>				
Cash and bank balances		12	-	-
<b>Cash and cash equivalents</b>		<b>12</b>	<b>-</b>	<b>-</b>

## Notes, Parent Company

Notes 1-2 in the Group apply to the Parent Company as well, with the exception that the Parent Company has chosen not to adopt IFRS 9 "Financial instruments" which is in accordance with the Swedish accounting recommendation, RFR 2, amended by the Swedish Financial Reporting Board.

### Note 3 Shares and participations in group companies

			30 Jun 2024	31 Dec 2023
<b>Participations in group companies</b>				
			41,467	36,130
<b>Group companies</b>	<b>No. of shares</b>	<b>Share</b>	<b>Book value</b>	<b>Book value</b>
Klarna Bank AB (publ), Sweden, Corp. ID 556737-0431	229,252,217	97%	38,856	34,697
Klarna Midco AB, Sweden, Corp. ID 559146-5132	540,161	95%	856	856
Larkan Holding AB, Sweden, Corp. ID 559262-3119	120,884	97%	1,753	575
Larkan III AB, Sweden, Corp. ID 559405-6060	50,000	100%	1	1
Larkan IV AB, Sweden, Corp. ID 559405-6177	750,000	100%	1	1
Larkan V AB, Sweden, Corp. ID 559405-5138	250,000	100%	0	0
Larkan VI AB, Sweden, Corp. ID 559419-2618	250,000	100%	0	0
Larkan VII AB, Sweden, Corp. ID 559433-3030	100,000	100%	0	0
Larkan VIII AB, Sweden, Corp. ID 559433-3022	25,000	100%	0	0
Larkan IX AB, Sweden, Corp. ID 559443-0448	25,000	100%	0	0
Larkan X AB, Sweden, Corp. ID 559456-1556	100,000	100%	0	0
Larkan XI AB, Sweden, Corp. ID 559456-1564	75,000	100%	0	0
<b>Total</b>			<b>41,467</b>	<b>36,130</b>

### Note 4 Receivables

	30 Jun 2024	31 Dec 2023
<b>Non-current</b>		
Receivables from group companies	4,639	7,225
<b>Total</b>	<b>4,639</b>	<b>7,225</b>
<b>Current</b>		
Current tax assets	12	12
Other receivables	-	12
<b>Total</b>	<b>12</b>	<b>24</b>
<b>Total receivables</b>	<b>4,651</b>	<b>7,249</b>

## CEO's affirmation

The CEO certifies that this interim report provides a fair overview of the Parent Company's and the Group's operations, their financial position and results, and describes material risks and uncertainties that the Parent Company and other companies in the Group are facing.

Stockholm, August 26, 2024

Sebastian Siemiatkowski  
CEO

## Further information

For more information, visit the Company website at [www.klarna.com](http://www.klarna.com) or contact:

Press: [press@klarna.com](mailto:press@klarna.com)  
Investors: [investorrelations@klarna.com](mailto:investorrelations@klarna.com)

Klarna Holding AB (publ)  
Sveavägen 46  
111 34 Stockholm  
Sweden  
Phone: +46 8 120 120 00  
Corp. ID: 556676-2356

The information in this report is such that the subsidiary Klarna Bank AB (publ) is obliged to make public under the EU Market Abuse Regulation and the Securities Market Act. This information was submitted for publication, through the agency of the contact persons set out above, on August 27, 2024 at 11:45 a.m. CET.



## Definitions and Abbreviations

### Adjusted operating income (loss)\*

Adjusted operating income (loss) excludes items that are not directly related to the company's core operating performance, and thus we believe is a key metric for understanding our core profitability.

Adjusted operating income (loss) is defined as the Operating result in accordance with IFRS, excluding (a) Restructuring costs, (b) Share-based payments and related payroll taxes, (c) Depreciation and amortization, and (d) Other income (expense).

### Capital requirement

Total assets and off-balance sheet items, risk-weighted according to the capital adequacy rules for credit and market risk. The operational risks are measured and added as risk exposure amount.

### Common Equity Tier 1 capital

Common Equity Tier 1 (CET1) capital is the highest quality regulatory capital as it absorbs losses as soon as they happen. It includes equity excluding proposed dividend, deferred taxes and intangible assets and certain other regulatory adjustments defined in Regulation (EU) No 575/2013 (CRR) and EU 241/2014.

### CET1 ratio

A core measure of a bank's financial strength. This is calculated by dividing CET1 by risk exposure amounts (REAs). The higher the ratio the more reserves a bank has.

### Consumer

An individual or company using our services.

### Debt/equity ratio\*

Average liabilities adjusted for untaxed reserves in relation to average equity adjusted for untaxed reserves. The calculation of average liabilities and average equity is based on opening and closing balances for the reporting period.

### Equity/assets ratio\*

Equity adjusted for untaxed reserves as a percentage of total assets at the end of the reporting period.

### Gross Merchandise Volume

Value of products sold through Klarna platform.

### Gross Profit\*

Klarna believes gross profit is the best indicator of the core profitability of the Group's business activities before the deduction of operating expenses. Gross profit is defined as Total net operating income in accordance with IFRS, including costs related to processing and servicing (within statutory metric, General administrative expenses) and consumer credit losses (within statutory metric, Credit losses, net). Costs of which are not directly related to revenue-generating activities within Interest expenses, Commission expenses and Net result from financial transactions are excluded.

### Operating expenses\* and Adjusted operating expenses\*

Operating expenses are an alternative performance measure (APM). Operating expenses are defined as Total operating expenses before credit losses, in accordance with IFRS and non-consumer credit losses within Credit losses, net, as defined by IFRS. It excludes (a) Processing and servicing costs (within statutory metric, General administrative expenses), (b) Interest expenses, (c) Commission expenses, (d) Net result from financial transactions, and (e) Other income (expense) directly related to revenue-generating activities.

Adjusted operating expenses are an APM measure. Adjusted operating expenses are defined as Operating expenses excluding (a) Restructuring costs, (b) Share-based payments and related payroll taxes, and (c) Depreciation and amortization.

### Own funds (Total capital)

The sum of Tier 1 capital and Tier 2 capital.

### Return on assets\*

Net result for the last 12 months as a percentage of average total assets. The calculation of average total assets is based on opening and closing balances for the last 12 months.

### Return on equity\*

Operating result for the last 12 months as a percentage of average equity adjusted for untaxed reserves. The calculation of average equity is based on opening and closing balances for the last 12 months.

### Restricted Stock Units

Klarna's Restricted Stock Unit Program for employees, implemented in 2020.

## Definitions and Abbreviations

### Revenue\*

Revenue is an APM that illustrates the total income Klarna generates from transactions, prior to deduction of expenses. Klarna believes Revenue is the best indicator of how much value we are sustainably generating from our business and that this approach is in-line with our peers. Revenue is defined as IFRS Total net operating income excluding Commission expense, Interest expense, Net result from financial transactions and interest on liquidity assets not related directly to the core business. Interest on liquidity assets that are not directly related to the core business stems from Loans to credit institutions and Other Interest income (see note 4).

### Risk Exposure Amount (REAs)

Risk Exposure Amount refers to the total exposure of a bank, financial institution, or any other regulated entity to potential losses. It is the sum of credit risk, operational risk, market risk and the risk of a credit valuation adjustment.

### Tier 1 capital

The sum of Common Equity Tier 1 capital and Additional Tier 1 capital.

### Tier 2 capital

Subordinated liabilities, which are eligible for inclusion in the total capital.

### Total capital ratio

Total capital as a percentage of risk exposure amounts.

### Alternative Performance Measures (APM)\*

Alternative Performance Measures (APM) are financial measures of historical or future financial position, performance or cash flow that are not defined in applicable regulations (IFRS) or in the EU Capital Requirements Regulation and Directive CRR/CRD IV. APMs are used by Klarna when relevant to assess and describe Klarna's financial situation and provide additional relevant information and tools to enable analysis of Klarna's performance. APMs on return on equity and return on assets provide relevant information on the performance in relation to different investment measurements. All these measures may not be directly comparable with similar key measures presented by other companies.

## Review report

Klarna Holding AB, corporate identity number 556676-2356

### Introduction

We have reviewed the interim consolidated financial statements for Klarna Holding AB as of June 30, 2024 and for the six months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34, the Annual Accounts Act for Credit Institutions and Securities Companies and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies regarding the Group, and in accordance with the Annual Accounts Act regarding the Parent Company.

Stockholm, August 26, 2024  
Ernst & Young AB

Hamish Mabon  
Authorized Public Accountant