
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of **August 2026**

Commission File Number: **001-42832**

Klarna Group plc

(Translation of Registrant's Name into English)

10 York Road
London SE1 7ND
United Kingdom
(Address of Principal Executive Office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ☐ No ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ☐ No ☒

INFORMATION CONTAINED IN THIS REPORT ON FORM 6-K

On August 18, 2026, Klarna Group plc (the "Company") issued a press release (Exhibit 99.1), an earnings release announcing its financial results for the three and six months ended June 30, 2026 (Exhibit 99.2), an investor presentation (Exhibit 99.3), unaudited interim condensed consolidated financial statements for those periods (Exhibit 99.4), and financial statements & supplementary metrics for those periods (Exhibit 99.5), each of which is furnished herewith.

This report on Form 6-K (other than Exhibits 99.1 and 99.3 hereto), including Exhibits 99.2, 99.4 and 99.5 hereto, shall be deemed to be incorporated by reference into the registration statements on Form S-8 (Registration No. 333-290150) of Klarna Group plc and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

EXHIBITS

The following exhibits are attached:

Exhibit No.	Description
99.1	Press Release
99.2	Earnings Release
99.3	Investor Presentation
99.4	Unaudited Interim Condensed Consolidated Financial Statements for the three and six-month periods ended June 30, 2026
99.5	Financial Statements & Supplementary Metrics

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KLARNA GROUP PLC

Date: August 18, 2026

By: /s/ Niclas Neglen
Name: Niclas Neglen
Title: Chief Financial Officer

Klarna Reports Second Quarter 2026 Results

New York, August 18, 2026 — Klarna Group plc [NYSE: KLAR], the everyday finance network, today reported second quarter 2026 results. GMV reached \$36.6 billion (+18% YoY), revenue \$1.042 billion (+27% YoY), transaction margin dollars \$446 million (+42% YoY), and adjusted operating income \$91 million (+214% YoY).

"Over 120 million consumers now use Klarna, and each is using it for more of their everyday spend — revenue per active consumer grew 24%. That deepening engagement is why transaction margin dollars grew 42%, well ahead of revenue and volume. We measure our progress in transaction margin dollars."

Sebastian Siemiatkowski, CEO & Co-Founder, Klarna

Klarna's full earnings release is available at the Quarterly Results section of its website at <https://investors.klarna.com/financials/quarterly-results/>

Q2 2026 Financial Highlights

- GMV: \$36.6 billion (+18% YoY; U.S. +27% YoY)
- Revenue: \$1.042 billion (+27% YoY)
- Transaction Margin Dollars: \$446 million (+42% YoY)
- Adjusted operating income: \$91 million (+214% YoY)
- Operating income: \$27 million versus a loss of \$(46) million in Q2 2025
- Net income: \$9 million versus a net loss of \$(53) million in Q2 2025
- Earnings per share: \$0.01 versus loss per share \$(0.14) in Q2 2025
- Provisions for credit losses: 0.52% of GMV versus 0.56% of GMV in Q2 2025
- Active consumers: 120 million (+8% YoY)
- Merchants: 1.2 million+ (+54% YoY)

More consumers using Klarna for more everyday spend

More than 120 million consumers used Klarna's everyday money network in the past 12 months, up 9 million year over year. Those consumers are using Klarna for a greater share of their everyday spend, driving average revenue per active consumer up 24%. That deepening engagement is increasingly anchored in recurring, high-frequency products: Klarna Memberships reached 2 million paying subscribers, eight times a year ago, with subscription revenue up more than 600%, while the Klarna Card reached 6.5 million active users across 16 countries, up from 1.3 million a year ago. Last week Klarna launched new Membership plans built around what consumers value most, cashback and benefits.

Merchant numbers grow 54% as distribution deals go live

More than 1.2 million merchants are now live, up 54% year over year, as major payment-platform integrations switch on Klarna's flexible payments automatically, with no new integration required. Most recently J.P. Morgan Payments, the largest U.S. merchant

acquirer, processing \$2.6 trillion in payments annually, which went live earlier this month, letting every merchant on its platform, from boutiques to big-box, offer the full Klarna suite of pay-in-full, interest-free installments, and longer-term financing. That distribution pulls more merchants to more products, with those offering Fair Financing up 107% year over year to 256,000. Last month, Klarna and Apple announced the Apple Upgrade program, a new device leasing program available on the Apple Store Online, in the Apple Store app, and at Apple Store locations in the U.S.

Transaction economics continue to improve

Transaction margin dollars grew 42% to \$446 million and reached 42.8% of revenue, up more than 4.5 percentage points. TMD grew faster than revenue, and revenue faster than GMV. Credit quality improved again as Klarna scales, with provisions low at 0.52% of GMV and US Fair Financing 30+ day delinquencies down 20 basis points quarter-over-quarter. About 90% of funding sits in low-cost consumer deposits, a durable advantage the company continues to extend and diversify through forward flow agreements. Outside the U.S., transaction margin reached 54% of revenue, with mature markets near 60%, showing the U.S. reaching 23% is still early in its trajectory.

Outlook

Klarna is updating its full-year 2026 guidance: stronger TMD on an adjusted volume and revenue base.

GMV: \$149 billion – \$151 billion, from greater than \$155 billion, driven by roughly \$600 million in currency translation, and a more measured view of primarily German volumes, our largest market by volume, consistent with reported trend across German retail. U.S. assumptions are unchanged; the U.S. remains Klarna's fastest-growing large region.

Revenue: \$4.08 billion – \$4.16 billion, reflecting the volume adjustment and, from H2, our new U.S. and German Fair Financing originations are expected to be classified and measured at fair value, shifting income from interest over the loan's life to an upfront gain, and netting related provisions out of transaction costs. That lowers revenue by approximately 10bps of GMV, offset by a similar cost reduction, a positive timing effect of roughly 2bps on transaction margin. Excluding it, the implied take rate is 2.84%–2.85%, up from our May outlook.

Transaction margin dollars: raised to \$1.62 billion – \$1.65 billion, approximately 1.09% of GMV against greater than 1.04% previously. Excluding the roughly 2 basis point benefit from the fair value presentation change, transaction margin is approximately 1.07% of GMV; more margin on less volume, driven by favourable mix and continued Card growth. TMD is the indicator Klarna optimizes against, shaping how we build products, price and underwrite.

Adjusted operating income: \$280 million – \$300 million in dollar terms, at 6.9% – 7.2% of

revenue, we are guiding in line to modestly above our May outlook, as we reinvest part of the stronger transaction margin into the second half's launches. This compares with \$65 million for all of 2025, more than four times last year, and \$159 million already delivered in the first half of 2026. Q3 is Klarna's investment quarter, funding significant PSP launches with marketing landing ahead of the volume it drives: GMV \$35 billion – \$36 billion, revenue \$940 million – \$980 million, TMD \$340 million – \$360 million, adjusted operating income \$5 million – \$15 million.

	Full year prior guidance	Full year updated (low)	Full year updated (high)	Q3'26
GMV	>\$155.0bn	\$149.0bn	\$151.0bn	\$35bn – \$36bn
Revenue, % of GMV	>2.80%	2.74%	2.75%	\$940m – \$980m
<i>Revenue, % of GMV (excluding move to fair value)</i>	<i>>2.80%</i>	<i>2.84%</i>	<i>2.85%</i>	
in \$	>\$4.34bn	\$4.08bn	\$4.16bn	
TMD, % of GMV	>1.04%	1.09%	1.09%	\$340m – \$360m
in \$	>\$1.61bn	\$1.62bn	\$1.65bn	
AOI, % of revenue	>6.90%	6.90%	7.20%	\$5m – \$15m
in \$	>\$299m	\$280m	\$300m	

Our guidance and outlook are forward-looking statements (see "Forward-looking statements" for important information).

NOTES

Non-IFRS Measures and Reconciliations

Transaction margin dollars and adjusted operating income are non-IFRS measures used by our management to measure our ability to attain efficiency and scale. Transaction margin dollars is defined as total revenue less total transaction costs, consisting of processing and servicing, provision for credit losses and funding costs. Please refer to the accompanying earnings release for more information.

We do not attempt to provide reconciliations of forward-looking Transaction margin dollars or adjusted operating income to the comparable IFRS measure because the impact and timing of potential charges or gains excluded from the calculation of our Transaction margin dollars are inherently uncertain and difficult to predict and are unavailable without unreasonable efforts. In addition, we believe such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a material impact on our financial performance.

Q2 2026 Supplemental Information

Reconciliation of Operating income (loss) to Transaction margin dollars (TMD)

	Amounts in USD millions	Q2'26	Q2'25
Operating income (loss)		27	(46)
Technology and product development		130	120
Sales and marketing costs		128	93
Customer service and operations		58	51
General and administrative		91	65
Depreciation, amortization (excl. software) and impairments		12	32
Transaction margin dollars		446	315

Reconciliation of Adjusted operating income to Operating income (loss)

	Amounts in USD millions	Q2'26	Q2'25
Adjusted operating income		91	29
- Depreciation, amortization and impairments		(23)	(27)
- Share based payments		(38)	(26)
- Restructuring and other		(4)	(21)
Operating income (loss)		27	(46)

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements regarding our future financial performance, business strategy, growth objectives and market opportunities. Words such as "believe," "expect," "anticipate," "intend," "plan," "will," "may," "could," "estimate," and similar expressions identify forward-looking statements. These forward-looking statements are subject to risks, uncertainties, and assumptions that could cause actual results to differ materially from those expressed or implied. Forward-looking statements reflect our views as of the date of this release and are based on information currently available to us. We undertake no obligation to update any forward-looking statements, except as required by law. Actual results may differ materially from those anticipated. Investors should not place undue reliance on these forward-looking statements and should review the risk factors in our filings with the SEC for a more complete discussion of risks.

About Klarna

Klarna is a global digital bank and flexible payments provider. With over 120 million global active Klarna users and 3.8 million transactions per day, Klarna's AI-powered payments and commerce network is empowering people to pay smarter with a mission to be available everywhere for everything. Consumers can pay with Klarna online, in-store and through Apple Pay & Google Pay. Over 1.2 million retailers trust Klarna's innovative solutions to drive growth and loyalty, including Apple, Uber, H&M, Saks, Sephora, Macy's, Ikea, Expedia Group, Nike and Airbnb. Klarna is listed on the New York Stock Exchange (NYSE: KLAR). For more information, visit [Klarna.com](https://klarna.com).

Second Quarter 2026 Results



Second Quarter 2026 Results

1,208k

Merchants
↑54% Q2'26 YoY

120m

Active Klarna consumers
↑8% Q2'26 YoY

\$36.6b

GMV
↑18% Q2'26 YoY
(↑15% LfL)

\$1,042m

Total revenue
↑27% Q2'26 YoY
(↑25% LfL)

\$446m

Transaction margin dollars
↑42% Q2'26 YoY
(↑39% LfL)

\$91m

Adjusted operating income
↑\$62m Q2'26 YoY

\$27m

Operating profit
↑\$73m Q2'26 YoY

\$9m

Net income
↑\$62m Q2'26 YoY

Transaction margin dollars, Adjusted operating income and like-for-like growth are non-IFRS measures. See "Non-IFRS measures and reconciliations" for more information.

Key Highlights

This was a strong quarter. We delivered on our guidance and demonstrated the earnings strength of the business. Volume grew 18%, revenue grew 27%, and transaction margin dollars grew 42%. Each grew faster than the last. Operating costs grew 16%, well below all three, and that gap is the operating leverage we have been building toward. Adjusted operating income reached \$91 million, up \$62 million year over year, and net income was positive at \$9 million.

We measure our progress in transaction margin dollars and we expect to deliver around 30% growth in Transaction margin dollars (TMD) this year, well ahead of revenue growth. They are what we optimize for, and they shape how we build products, how we price, and how we underwrite. Because operating costs grow far slower, that growth is what turns into earnings per share over time.

Klarna is spend-centric, not lend-centric. Pay in Full serves everyday spend. Pay Later, our charge-card equivalent, serves medium-sized purchases on short repayment terms. Point-of-sale installments, or Fair Financing, which serves large-ticket purchases, grew 82% year over year and continues to gain share, particularly in the U.S., where we won marquee partners including Bolt, Ulta Beauty and Southwest Airlines. Last month, Klarna and Apple announced the Apple Upgrade program, a new device leasing program available on the Apple Store Online, in the Apple Store app, and at Apple Store locations in the U.S. Consumers apply at Apple and then pay and manage within the Klarna app, creating a direct relationship with new US consumers that supports Klarna's ability to grow engagement, ARPAC, and profitability.

Alongside those three products, engagement deepens. ARPAC reached \$33.7, up 24%. Klarna Memberships reached 2 million paying subscribers, eight times more than a year ago, with subscription revenue up more than 600%. The Klarna Card reached 6.5 million active users across 16 countries, up from 1.3 million a year ago; on our first earnings call in November that number was 3.2 million, so it has more than doubled in nine months. Last week we launched new plans built on what consumers actually want: cashback and benefits. Subscription revenue is high margin and recurring: it is earned on the membership rather than on each transaction, so it does not track volume the way our payments revenue does. It grows TMD directly, and is part of why transaction margin dollars outpace volume.

The network keeps widening. Over 1.2 million merchants are now live, up 54%, underpinned by continued ramp of our PSP partnerships. J.P. Morgan Payments went live on August 6. It is the largest U.S. merchant acquirer, processing \$2.6 trillion of payments a year, and every merchant on its platform, from boutiques to big-box, can now offer the full Klarna suite through their existing setup, with no new integration. In addition to Stripe and Nexi who are live and ramping, we have five PSPs enabling Klarna as a default-on option across payment networks totaling over \$9.5 trillion of volumes. PSPs bring merchants and merchants bring consumer surfaces. We win when a merchant offers a choice at checkout and we take the largest share of it and that is what drives profitable growth.

We are also moving with where consumers search. Klarna's flexible payments are coming to Google Search and the Gemini app within Google Pay, and our AI-powered Shopping Search app is live in ChatGPT, putting our dataset of over 100 million products, and our payments, inside the world's largest AI surfaces. Traffic from AI platforms to retailers grew sharply last holiday season and converts at higher rates.

We enter the second half with real momentum. Our payment-platform partnerships are scaling ahead of the holiday season, our new device-upgrade program is ramping, and each new merchant and consumer turns the same flywheel: a wider network, deeper engagement, and better economics on every transaction.

Financial highlights

The business executed well and we delivered against our guidance, with gross merchandise volume (GMV) up 18%, revenue up 27% and transaction margin dollars up 42% alongside improved profitability and controlled risk. Klarna consumers show continued health, with sequential improvements in delinquency trends across all key markets. As expected, Fair Financing is becoming more profitable as earlier loans mature and our underwriting improves with scale, and that is increasingly showing up in TMD.



Spend-centric model

Klarna's model is advantaged by its construct: a dual-sided, spend-centric network that delivers value to both consumers and merchants. Distribution at the point of purchase translates directly into low-cost consumer acquisition, and scale on each side of the network reinforces the other. We now partner with over 1.2 million merchants, up 54% year over year, who benefit from higher conversion, larger baskets and improved retention. Active consumers reached 120 million in Q2, up 9 million year over year.



Engagement continues to deepen. Average revenue per active consumer (ARPAC) increased 24% year over year, supported by Klarna Card and Fair Financing adoption driving interest and membership revenues. Klarna Memberships reached 2 million paying subscribers, eight times a year ago, with subscription revenue growing over 600%. This is high-margin, recurring revenue earned on the membership rather than on individual transactions, so it is less correlated with volume than our payments revenue and grows transaction margin dollars directly.

Our recent U.S. bank charter application is about accelerating that same engagement and product breadth in our largest market, letting us serve the 30 million U.S. consumers already in our network across their everyday spending, saving and payments, with better quality and a lower cost to serve.

Strong GMV Growth in Q2 2026

Total GMV was \$36.6 billion, up 18% year over year, and 15% on a like-for-like basis, reflecting the lapping of the Q2'25 Fair Financing launch and less of an FX tailwind than the first quarter. Growth was broad-based: we delivered growth in every geography.

In the U.S., GMV increased 27% to \$7.9 billion, our fastest-growing large region, taking U.S. share of GMV up 2 percentage points year over year to 22%. During the quarter some markets, most notably Germany, grew at a more measured pace, while performance across our most mature Nordic markets accelerated. In Sweden, launching Fair Financing alongside the Klarna Card supported high-teens GMV growth in the quarter, showing how product breadth reinforces itself in our most mature markets.

GMV Growth YoY



Growth is driven by higher engagement: more consumers using Klarna more frequently across a broader range of categories. Events & Services reached 14% of GMV, from 9% in Q2'25, while Home and Electronics increased to 20%, from 18%. Apparel and accessories' share fell to 34%, from 41%, as the network diversifies.

By product, Fair Financing, our point-of-sale installments product, grew 82% year over year to \$4.7 billion and represents 13% of GMV, with continued merchant and market rollout. Pay Later, our charge-card equivalent, grew 13% and accounts for 77% of total GMV. Pay in Full, our everyday spending product, contributed \$3.6 billion, representing 10% of the mix. This reflects our positioning as a payments network first, rather than a lender building a network, an important structural advantage.

Our merchant network continues to expand, supported by deeper distribution through leading PSP platforms. We added 133,000 merchants quarter over quarter, and adoption of our products is increasing: the number of merchants offering Fair Financing increased to 256,000, or 21% of merchants, up from 225,000 last quarter and 124,000 in Q2'25, when it was 16% of merchants. We are live and ramping as an automatically enabled partner with J.P. Morgan Payments, Stripe and Nexi, with Adyen, Fiserv's Clover, Worldline and Worldpay (now Global Payments) expected to follow ahead of peak season.

Revenue growth of 27% in Q2 2026

Revenue grew 27% year over year (25% like-for-like) to \$1,042 million, outpacing GMV as our mix continued to shift toward higher-yielding products. In the U.S., revenue increased 37% to \$376 million, ahead of U.S. volume growth of 27%, reflecting the contribution of interest income and gain on sale from originations in prior quarters where Fair Financing is most established.

Fair Financing remains the primary driver, supported by both new originations and prior-period volumes as interest income accrues over the life of the loan. Interest income reached \$266 million, up 21% (19% like-for-like). We also recognized a \$69 million gain on sale, driven by the U.S. forward flows and back-book sales in Europe, related to our existing U.S. forward flow arrangement and our newly launched facility in Germany.

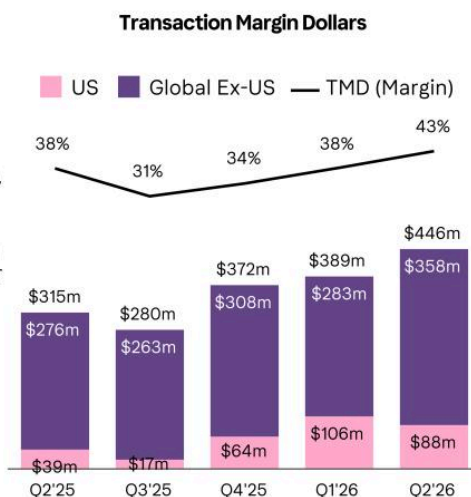
Transaction and service revenue grew 17% year over year (15% like-for-like) to \$707 million, broadly tracking volume, with continued growth in membership fees.

Transaction Margin Dollars up 42% in Q2 2026

The health of our business is best reflected in transaction margin dollars, which capture the transaction-level economics of how the business is growing. TMD reached \$446 million, up 42% (39% like-for-like), and our TMD margin of 42.8% of revenue is up approximately 4.5 percentage points year over year. As a percentage of GMV it was 1.22%, and 1.14% adjusting for the one-off sale.

The important point is the order: transaction margin dollars grew faster than revenue, and revenue faster than volume. We are converting each dollar we process into more margin than we did a year ago, which is why transaction margin dollars can grow while we take a more measured view of volume.

In the U.S., TMD was \$88 million, up 126% year over year, more than three times the pace of U.S. revenue growth of 37%. That takes the U.S. margin from 14% of revenue a year ago to 23% this quarter, 9 percentage points in twelve months.



Across our markets outside the U.S., TMD reached \$358 million, up 30%, at a 54% margin, up 4 percentage points year over year, and sequentially higher than the first quarter as we executed a back-book sale alongside the launch of our German forward flow during the quarter. Our most established markets run at approximately 60%.

Transaction costs were \$596 million, up 17% year over year (16% like-for-like), well below revenue growth, reflecting improved underwriting and the scaling of our offloading programs. Processing and servicing costs were \$233 million, or 0.64% of GMV, down from 0.79% in Q1, which carried higher settlement costs from servicing our Q4 peak originations. Provisions for credit losses were \$192 million, growing slower than volume, so provisions declined quarter over quarter to 0.52% of GMV, reflecting continued underwriting improvement, growing forward-flow arrangements, the continued maturation of the Fair Financing book, and the increasing share of off-balance sheet receivables. Funding costs were \$171 million, broadly flat sequentially at 0.47% of GMV.

Credit metrics remain controlled while consumer engagement grows

Delinquency rates continue to trend down as our underwriting models mature. Comparing each vintage at the same point in its life, Fair Financing delinquencies 30+ days past due fell approximately 20 basis points quarter over quarter, and Pay Later improved approximately 30 basis points on the same measure, in line with the same period last year.

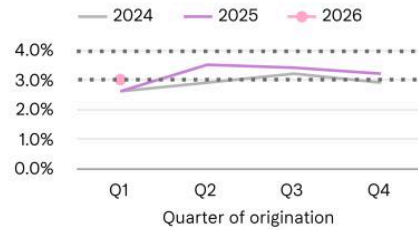
Our global ex-U.S. book improved on the same basis, with recent cohorts down both quarter over quarter and year over year. The details of this can be found in our supplementary data pack.

Charge-offs¹ remain within expected ranges. Supplementary materials including further credit performance data can be found on our [investor relations website](#).

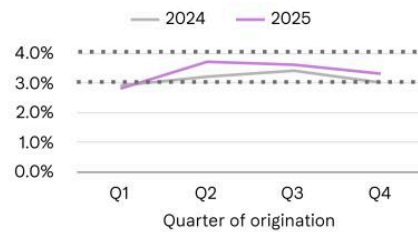
Our model is built on high-frequency, short-duration lending, with the book turning around 10 times per year, an average consumer balance of \$124 and an average duration of ~40 days. We underwrite every transaction individually, starting with small balances and scaling exposure only as we build confidence. Where we have taken a more measured view of volume, that is a conscious choice to hold our underwriting standards and stay within our credit box; we would rather protect our risk-adjusted returns than chase marginal volume.

Combined with high repeat usage, this creates a continuously improving data set that lets us refine risk decisions in real time. Since inception, Klarna has underwritten over \$0.7 trillion, with provision for credit losses of around 0.6%, well below industry benchmarks, and improving over time.

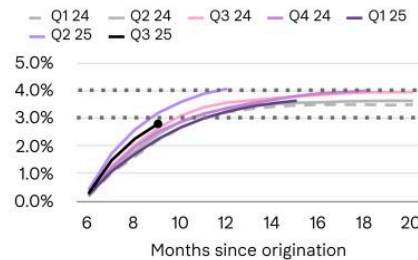
US Fair Financing 30+ days past due delinquency rates



US Fair Financing 60+ days past due delinquency rates



U.S. Fair Financing charge-offs¹



¹ Cohort cumulative net charge-off curves may include non-representative items that do not reflect underlying credit performance. Where such items are material and impact cross-cohort comparability, we may adjust the curves and disclose such adjustments. The Q2 2025 U.S. Fair Financing cohort carries modestly higher cumulative net charge-offs, reflecting the Klarna Card and 3-month loan tenor ramp and subsequent model recalibration; later 2025 cohorts are normalizing and charge-offs remain within our expected 3-4% range.

Our Capital light approach

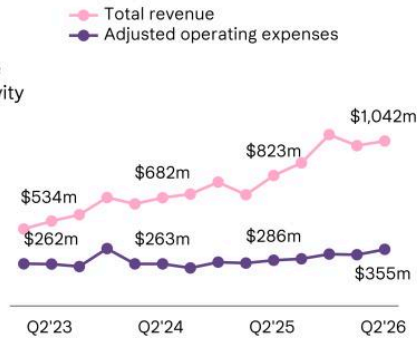
As a bank, Klarna benefits from a scalable funding base that supports continued growth. As of June 30, 2026, we had \$11.7 billion of customer deposits, representing 88% of our funding, providing a stable and flexible source of funding.

Our model is inherently capital-efficient, and the short duration of our products keeps receivables low relative to annual volumes. Our credit book is attractive to external investors, and forward flows, which are committed, pre-priced loan sales in which Klarna retains the vast majority of the economics, allows us to drive better returns on equity and accelerate growth through more efficient capital recycling. This reduces capital intensity, transfers credit exposure and accelerates revenue recognition, while expanding our capacity to support further growth.

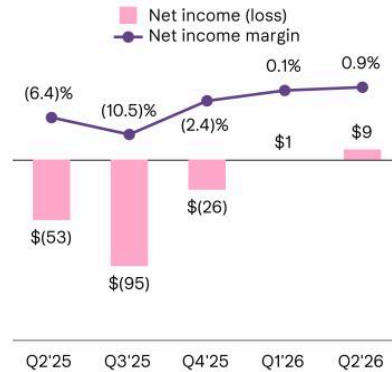
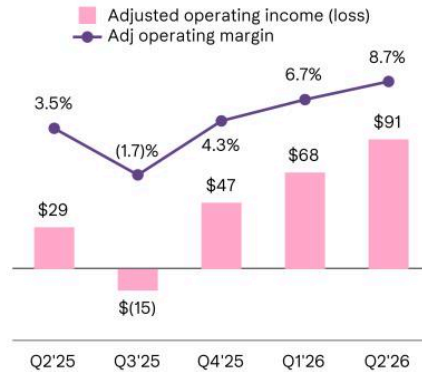
Operating leverage continues as revenue outpaces costs

Our IFRS non-transaction-related operating expenses were \$419 million, up 16% year over year, as we invested ahead of peak season and ramped marketing around the World Cup in the U.S., supported by AI-enabled productivity gains and continued cost discipline.

That gap, 42% TMD growth against 16% operating expense growth, is the operating leverage we have been building toward. Since 2023 roughly 56 cents of every additional transaction margin dollar reaches the adjusted operating income line.



That drop-through is visible in the result. Adjusted operating income reached \$91 million in Q2'26, up \$62 million year over year, at a margin of 8.7%. On a reported basis, operating income turned positive at \$27 million, an improvement of \$73 million and representing 2.6% of revenue. Net income improved to \$9 million, compared with a \$53 million loss in Q2'25, and EPS increased from negative \$0.14 to positive \$0.01.



Financial outlook

	Full year prior guidance	Full year updated (low)	Full year updated (high)	Q3'26
GMV	>\$155.0b	\$149.0b	\$151.0b	\$35b – \$36b
Revenue, % of GMV	>2.80%	2.74%	2.75%	
Revenue, % of GMV (excluding move to fair value)	>2.80%	2.84%	2.85%	
in \$	>\$4.34b	\$4.08b	\$4.16b	\$940m – \$980m
TMD, % of GMV	>1.04%	1.09%	1.09%	\$340m – \$360m
in \$	>\$1.61bn	\$1.62bn	\$1.65bn	
AOI, % of revenue	>6.90%	6.9%	7.2%	\$5m – \$15m
in \$	>\$299m	\$280m	\$300m	

Our revised full-year transaction margin dollar guidance is \$1.62–1.65 billion, approximately 5 basis points higher than our May guidance, on a lower volume base. Approximately 2 basis points of the improvement reflects the fair value accounting change described below; excluding it, transaction margin is approximately 1.07% of GMV, still ahead of the 1.04% we previously guided. The rest comes from our better economics. Excluding the presentation change, stronger unit economics are expected to contribute between 40 and 50 million dollars of TMD for the year, on a moderated volume outlook.

Full-year GMV is revised to \$149–151 billion, approximately 17% growth, from above \$155 billion previously. Two factors drive the revision:

- First, on FX approximately \$600 million of the revision reflects currency movement since our previous guidance, affecting European volumes as well as other markets including the UK.
- Second, we have taken a more measured view of European volumes in the second half, particularly in Germany, our largest market by volume, and pronounced in certain discretionary retail categories. German retail sales grew less than 1% in real terms in the first half, consistent with conditions reported across the German retail sector this season. Our guidance assumes Germany stays soft through the second half rather than recovering.

U.S. volume expectations are unchanged, and the U.S. remains our fastest-growing large region, with growth expected to be strong in the second half as we scale a number of significant PSP integrations and enter our first peak season with marquee merchants.

Full-year revenue of \$4.08–4.16 billion, against above \$4.34 billion previously, represents a reported take rate of 2.74–2.75% of GMV. Approximately 10 basis points of GMV of that change comes from the presentation change described below, with the remainder following the volume. Excluding the presentation change, the implied take rate is 2.84–2.85%, up versus the 2.80% we previously guided, so on a comparable basis we are earning more revenue on every dollar we process.

Full-year adjusted operating income is expected to be \$280–300 million, at 6.9–7.2% of revenue, more than four times the \$65 million delivered in the whole of 2025, and against \$159 million already delivered in the first half of 2026.

For the third quarter, we are guiding to GMV of \$35–36 billion, revenue of \$940–980 million, transaction margin dollars of \$340–360 million, and adjusted operating income of \$5–15 million. The third quarter is deliberately our investment quarter, funding the largest set of launches in our history, with marketing landing ahead of the volume it drives. It will also carry the highest level of share-based payments in 2026, reflecting the vesting and grants from our annual compensation review.

The fourth quarter is where we expect that investment to show. With our PSP integrations and large signed merchants live ahead of peak, we expect the fourth quarter to be our strongest transaction margin quarter of the year, with strong drop-through to adjusted operating income.

Assumptions embedded within the outlook¹

Impact of Fair Value accounting presentation adjustment

From the second half of 2026, we expect our US and German Fair Financing to be held at fair value through P&L. That shifts substantially all new originations for these products and regions from booking provisions upfront to fair value through P&L, with fair value recognized in the gain on sale line at origination, in line with IFRS 9. The effect is presentational: reported revenue and transaction costs each reduce by approximately 10 basis points of GMV, which is why the reported take rate steps down to 2.74–2.75% while the comparable take rate rises to 2.84–2.85%. Because more of the economics is recognized earlier, there is a small timing benefit, equivalent to an expected approximately 2 basis point positive impact to FY 2026 transaction margin as a share of GMV. This change applies prospectively to new originations from H2 2026; prior periods are not restated, and loans already on our balance sheet continue to recognize interest income and provisions as previously. A video explaining this concept is available on our investor relations website.

Product mix

Fair Financing, Card and continued network expansion remain the primary growth drivers.

Default-on partnerships

PSP partners expand our addressable market. In H2 a number of our PSP partnerships, including J.P. Morgan Payments, Adyen, Worldline, Worldpay (now Global Payments) and Fiserv's Clover, are expected to be going live.

Gain on sale

Offloading is central to our asset-light strategy, and we expect this second half to be marginally higher.

Provisions

As a result of the fair value shift, our financing book will carry lower provisions as a percentage of GMV in Q3 and Q4. Underlying delinquency trends and consumer credit health remain stable.

Interest rates

The outlook assumes benchmark rates in line with current forward curves.

FX

Guidance assumes the following USD FX rates: EUR 1.142, SEK 0.103, GBP 1.337.

¹ Any guidance represents forward-looking statements and is subject to inherent uncertainty and risks. See "Forward-looking statements" in this release and "Risk Factors" in our annual report on Form 20-F. We do not attempt to provide reconciliations of forward-looking Transaction margin dollars to the comparable IFRS measure because the impact and timing of potential charges or gains excluded from the calculation of our Transaction margin dollars are inherently uncertain and difficult to predict and are unavailable without unreasonable efforts. Such items could have a material impact on our financial performance.

The financial outlook is only effective as of the date given and will not be updated or affirmed unless and until we publicly announce updated or affirmed guidance. Distribution or reference of this earnings release following the date hereof does not constitute Klarna re-affirming guidance.

Conference call

Klarna will host a conference call and webcast to discuss its second quarter 2026 financial results on August 18, 2026, at 8:30 am ET.

Participating on the call will be:

- Sebastian Siemiatkowski, Chief Executive Officer, and
- Niclas Neglen, Chief Financial Officer.

The conference call will be webcast live on Klarna's investor relations website at investors.klarna.com. A replay will be available on the same website following the call.

Compounding growth

Amounts in USD millions	Q2'26	Q2'25	YoY
GMV, of which:	36,648	31,182	18%
Fair Financing	4,691	2,577	82%
Transaction and service revenue	707	604	17%
Gain on sale of consumer receivables	69	—	n.m
Interest income	266	219	21%
Total revenue	1,042	823	27%
Processing and servicing costs	(233)	(187)	25%
Provision for credit losses	(192)	(174)	11%
Funding costs, of which:	(171)	(147)	16%
Interest costs on funding	(125)	(124)	1%
Fair value adjustment on loans sold and held for sale	(46)	(23)	100%
Transaction costs	(596)	(508)	17%
Transaction margin dollars	446	315	42%
Technology and product development	(111)	(93)	20%
Sales and marketing	(111)	(83)	33%
Customer service and operations	(57)	(48)	18%
General and administrative	(76)	(62)	23%
Adjusted operating expenses	(355)	(286)	24%
Adjusted operating income	91	29	↑\$62
- Depreciation, amortization and impairments	(23)	(27)	(16)%
- Share based payments	(38)	(26)	45%
- Restructuring and other	(4)	(21)	(81)%
Operating profit (loss)	27	(46)	↑\$73
Other income (expense)	—	—	n.m
Profit (Loss) before income tax	27	(46)	↑\$73
Income tax	(18)	(7)	151%
Net income (loss)	9	(53)	↑\$62
Key Metrics	Q2'26	Q2'25	YoY
Active consumers (m)	120	111	8%
Merchants (k)	1,208	786	54%
Average revenue per active consumer (\$)	33.7	27.2	24%
Revenue take rate	2.84%	2.64%	20 bps
Provision for credit losses (% of GMV)	0.52%	0.56%	(4) bps

*Unlike the balance sheet, which shows a snapshot of assets and liabilities as at each period end, Provision for credit losses in the income statement reflect provisions for potential future losses and realized losses associated with lending activities during the period.

Definitions

Like-for-like (Lfl.) growth

Year-over-year change on a like-for-like basis is calculated by adjusting the relevant metric for the impact of foreign currency fluctuations. The impact of foreign currency fluctuations is calculated by translating the reported amounts in the current period using the exchange rates in use during the comparative prior period. Prior to Q1 2026, like-for-like growth also adjusted for the divestiture of Klarna Checkout (KCO), completed in October 2024. As Q1 2025 is the first comparative period in which KCO is fully lapped, no KCO adjustment is required from Q1 2026 onwards.

Active Klarna consumers

Consumers who have made a purchase or a payment using a Klarna-branded product or logged into the Klarna app within the past 12 months, calculated as of the end of that 12-month period.

New merchants

Refers to the net new number of merchants onboarded year-over-year. Merchants means the businesses that offer their goods and services to consumers on our network. The number of merchants presented refers to the number of unique combinations of brands (e.g., H&M) available on our network and the markets where such brands are available (e.g., Sweden).

Gross merchandise volume (GMV)

The total monetary value of all completed purchases on our network in that period, excluding any additional fees and any subsequent actions (such as returns, settlements and disputes).

Take rate

Total revenue as a percentage of GMV.

Average revenue per active consumer (ARPAC)

Our total revenue for the trailing twelve months, divided by the number of active Klarna consumers over that period.

Transaction margin dollars (TMD)

Transaction margin dollars is total revenue less total transaction costs, which consist of processing and servicing costs, provision for credit losses and funding costs.

Provision for credit losses (% of GMV)

Provision for credit losses divided by GMV.

Adjusted operating income (loss)

Adjusted operating income (loss) is defined as operating profit (loss) excluding (i) depreciation, amortization and impairments, (ii) share-based payments expense, (iii) restructuring costs and expenses related to preparation for an initial public offering.

IFRS non-transaction-related operating expenses

IFRS non-transaction-related operating expenses is defined as IFRS operating expenses excluding processing and servicing costs, provision for credit losses and funding costs.

Non-IFRS measures and reconciliations

We use certain non-IFRS financial measures to supplement our consolidated financial statements, which are presented in accordance with IFRS. These non-IFRS financial measures include Transaction margin dollars, Transaction margin, Adjusted operating income (loss), Adjusted operating expenses and Adjusted operating margin. We use these non-IFRS financial measures to facilitate the review of our operational performance and as a basis for strategic planning. We also present period-over-period changes in certain metrics on like-for-like (LfL) basis, which is calculated by adjusting the metric for the impact of foreign currency fluctuations. The impact of foreign currency fluctuations is calculated by translating the reported amounts in the current period using the exchange rates in use during the comparative prior period.

Transaction margin dollars and Transaction margin are key performance measures used by our management to measure our ability to attain efficiency and scale and to grow these metrics over time. They measure our success in growing revenue while effectively managing our processing and servicing costs, provision for credit losses and funding costs.

In addition, by excluding certain items that are nonrecurring or not reflective of the performance of our normal course of business, we believe that Adjusted operating expenses, Adjusted operating income (loss) and Adjusted operating margin provide meaningful supplemental information regarding our performance. Accordingly, we believe that these non-IFRS financial measures are useful to investors and others because they allow investors to supplement their understanding of our financial trends and evaluate our ongoing and future performance in the same manner as management. However, there are several limitations related to the use of non-IFRS financial measures as they reflect the exercise of judgment by our management about which expenses are excluded or included in determining these non-IFRS measures. These non-IFRS measures should be considered in addition to, not as a substitute for or in isolation from, our financial results prepared in accordance with IFRS. Other companies, including companies in our industry, may calculate these non-IFRS (or similar non-GAAP) financial measures differently or not at all, which reduces their usefulness as comparative measures.

Transaction margin dollars is defined as total revenue less total transaction costs, consisting of processing and servicing, provision for credit losses and funding costs. Transaction margin is calculated by dividing Transaction margin dollars by our total revenue. Adjusted operating income (loss) is defined as operating profit (loss) excluding (i) depreciation, amortization and impairments, (ii) share-based payments expense, (iii) restructuring costs and expenses related to preparation for an initial public offering. Adjusted operating expenses are defined as operating expenses excluding (i) depreciation, amortization and impairments, (ii) share-based payments expense and (iii) restructuring costs and expenses related to preparation for an initial public offering. Adjusted operating margin is defined as Adjusted operating income (loss) divided by our total revenue. Depreciation, amortization and impairments below include amounts recorded within Technology and product development expenses in our consolidated statements of profit and loss. We consider the exclusion of certain nonrecurring or noncash items in calculating Adjusted operating income (loss), Adjusted operating margin and Adjusted non-transaction-related operating expenses to provide a useful measure for investors and others to evaluate our operating results and expenses in the same manner as management.

Forward-looking statements

This earnings release contains forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements regarding our future financial performance, business strategy, growth objectives, market opportunities, expected timing of becoming live with PSPs and other partners, utilization of our forward-flow and similar arrangements and other operational plans. Words such as "believe," "expect," "anticipate," "intend," "plan," "will," "may," "could," "estimate" and similar expressions identify forward-looking statements.

These forward-looking statements are subject to risks, uncertainties, and assumptions that could cause actual results to differ materially from those expressed or implied, including risks related to:

- Our ability to retain and grow consumer and merchant relationships;
- Competition and technological developments;
- Regulatory compliance and licensing requirements;
- Credit risk management and funding availability;
- General economic conditions and market volatility; and
- Our ability to expand into new markets and products.

Forward-looking statements reflect our views as of the date of this release and are based on information currently available to us. We undertake no obligation to update any forward-looking statements, except as required by law. Actual results may differ materially from those anticipated. Investors should not place undue reliance on these forward-looking statements and should review the risk factors in our filings with the SEC for a more complete discussion of risks.

Financials and Key Metrics adjusted for foreign currency exchange fluctuations

Amounts in USD millions	Statement of profit or loss		Like-for-like ¹	
	Q2'26	Q2'25	Q2'26	Q2'25
GMV, of which:	36,648	31,182	35,911	31,182
Fair Financing	4,691	2,577		
Transaction and service revenue	707	604	697	604
Gain on sale of consumer receivables	69	—	68	—
Interest income	266	219	260	219
Total revenue	1,042	823	1,025	823
Processing and servicing costs	(233)	(187)	(230)	(187)
Provision for credit losses	(192)	(174)	(189)	(174)
Funding costs, of which:	(171)	(147)	(167)	(147)
Interest costs on funding	(125)	(124)		
Fair value adjustment on loans sold and held for sale	(46)	(23)		
Transaction costs	(596)	(508)	(587)	(508)
Transaction margin in dollars	446	315	438	315
Technology and product development	(111)	(93)	(109)	(93)
Sales and marketing	(111)	(83)	(109)	(83)
Customer service and operations	(57)	(48)	(55)	(48)
General and administrative	(76)	(62)	(75)	(62)
Adjusted operating expenses	(355)	(286)	(348)	(286)
Adjusted operating income	91	29	90	29
- Depreciation, amortization and impairments	(23)	(27)		
- Share based payments	(38)	(26)		
- Restructuring and other	(4)	(21)		
Operating profit (loss)	27	(46)		
Other income (expense)	—	—		
Profit (Loss) before income tax	27	(46)		
Income tax	(18)	(7)		
Net income (loss)	9	(53)		
Key Metrics	Q2'26	Q2'25	Q2'26	Q2'25
Active consumers (m)	120	111	120	111
Merchants (k)	1,208	786	1,208	786
Average revenue per active consumer (\$)	33.7	27.2	30.6	27.2
Revenue take rate	2.84%	2.64%	2.86%	2.64%
Provision for credit losses (% of GMV)	0.52%	0.56%	0.53%	0.56%

As a global business, foreign currency exchange (FX) fluctuations can impact our results. To better reflect underlying trends, we present like-for-like figures that exclude the impact from FX effects. In Q2'26, total revenue grew 27%. 2 percentage points of this growth were driven by changes in FX rates, which equates to 25% like-for-like growth. Adjusted operating expenses on the other hand grew by 24% at the headline level, but only 22% on a like-for-like basis, with 2 percentage points of the increase in Q2'26 due to FX.

¹ Like-for-like (Lfl) year-over-year growth is calculated by adjusting for the impact of foreign currency fluctuations. The impact of foreign currency fluctuations is calculated by translating the reported amounts in the current period using the exchange rates in use during the comparative prior period.

Reconciliation of Operating profit (loss) to Transaction margin dollars (TMD)¹

Amounts in USD millions	As reported	
	Q2'26	Q2'25
Operating profit (loss)	\$27	\$(46)
Technology and product development	130	120
Sales and marketing costs	128	93
Customer service and operations	58	51
General and administrative	91	65
Depreciation, amortization (excl. software) and impairments	12	32
Transaction margin dollars	446	315

Reconciliation of Operating expenses to Adjusted operating expenses¹

Q2'26	Operating expenses	Restructuring and other	Share-based payments	Depreciation and amortization	Adjusted operating expenses
Technology and product development	\$130	—	\$(4)	\$(14)	\$111
Sales and marketing costs	128	—	(18)	—	111
Customer service and operations	58	—	(1)	—	57
General and administrative	91	—	(14)	—	76
Depreciation, amortization (excl. software) and impairments	12	(4)	—	(8)	—
Total	419	(4)	(38)	(23)	355

Q2'25	Operating expenses	Restructuring and other	Share-based payments	Depreciation and amortization	Adjusted operating expenses
Technology and product development	\$120	—	\$(8)	\$(19)	\$93
Sales and marketing costs	93	—	(10)	—	83
Customer service and operations	51	—	(3)	—	48
General and administrative	65	2	(5)	—	62
Depreciation, amortization (excl. software) and impairments	32	(24)	—	(9)	—
Total	361	(21)	(26)	(28)	286

¹ Rounding effects may be present in this table.

Interim condensed consolidated statement of profit or loss
(Unaudited)

USD millions, except per share amounts	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Transaction and service revenue	707	604	1,378	1,123
Gain on sale of consumer receivables	69	—	126	—
Interest income	266	219	550	401
Total revenue	1,042	823	2,054	1,524
Processing and servicing costs	(233)	(187)	(499)	(351)
Provision for credit losses	(192)	(174)	(378)	(310)
Funding costs	(171)	(147)	(342)	(277)
Technology and product development	(130)	(120)	(259)	(235)
Sales and marketing	(128)	(93)	(233)	(184)
Customer service and operations	(58)	(51)	(112)	(102)
General and administrative	(91)	(65)	(171)	(159)
Depreciation, amortization and impairments	(12)	(32)	(15)	(42)
Operating expenses	(1,015)	(869)	(2,010)	(1,660)
Operating profit (loss)	27	(46)	44	(136)
Other income (expense)	—	—	(2)	(2)
Profit (loss) before taxes	27	(46)	42	(138)
Tax (expense) benefit	(18)	(7)	(32)	(14)
Net profit (loss)	9	(53)	10	(152)
Whereof attributable to:				
Shareholders of Klarna Group plc	4	(52)	(1)	(153)
Non-controlling interests	5	(1)	11	1
Total	9	(53)	10	(152)
Net profit (loss) per share attributable to shareholders of Klarna Group plc				
Basic	\$ 0.01	\$ (0.14)	\$ 0.00	\$ (0.42)
Diluted	\$ 0.01	\$ (0.14)	\$ 0.00	\$ (0.42)

Interim condensed consolidated statement of financial position
(Unaudited)

USD millions	June 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents.....	2,672	3,803
Debt securities.....	2,593	1,518
Consumer receivables at amortized cost.....	8,831	10,459
Consumer receivables at fair value through OCI.....	718	386
Consumer receivables at fair value through profit or loss.....	204	400
Other financial assets at amortized cost.....	526	—
Settlement, trade and other receivables.....	544	580
Property and equipment.....	34	60
Goodwill.....	664	685
Intangible assets.....	345	383
Deferred tax assets.....	25	36
Other assets.....	610	487
Total assets	17,766	18,797
Liabilities		
Accounts payable and accrued expenses.....	546	655
Consumer deposits.....	11,673	13,003
Payables to merchants.....	934	736
Notes payable and other borrowings.....	1,687	1,359
Deferred tax liabilities.....	3	2
Other liabilities.....	256	358
Total liabilities	15,100	16,113
Equity		
Share capital.....	—	—
Additional paid in capital.....	458	427
Reserves.....	(213)	(90)
Retained earnings.....	2,196	2,170
Total equity excluding non-controlling interests	2,441	2,507
Non-controlling interests.....	225	177
Total equity	2,666	2,684
Total equity and liabilities	17,766	18,797

Interim condensed consolidated statement of cash flows
(Unaudited)

USD millions	Six Months Ended	
	June 30, 2026	June 30, 2025
Operating activities		
Profit (loss) before taxes	42	(138)
Income taxes paid	(18)	(36)
Interest expense paid	(230)	(212)
Interest income received	610	326
Adjustments for non-cash items in operating activities		
Depreciation, amortization and impairment	44	77
Share-based payments	67	85
Provision for credit losses	492	398
Financial items including fair value effects	11	(50)
Changes in the assets and liabilities of operating activities		
Change in consumer receivables at fair value through OCI	(315)	—
Change in consumer receivables at fair value through P&L	194	—
Change in consumer receivables at amortized cost	47	(1,485)
Change in other financial assets at amortized cost	(565)	—
Change in settlement, trade and other receivables	23	(178)
Change in notes payable and other borrowings	41	(9)
Change in consumer deposits	(604)	3,155
Change in bonds and treasury bills with maturity > 90 days	(1,042)	(742)
Change in other assets and liabilities	(11)	343
Cash flow from operating activities	(1,213)	1,534
Investing activities		
Investments in intangible assets	(16)	(13)
Investments in property and equipment	—	(1)
Cash flow from investing activities	(16)	(14)
Financing activities		
Other equity instruments issued	52	—
Notes payable and other borrowings issued	392	197
Notes payable and other borrowings redeemed	(251)	(30)
Principal payments of lease liabilities	(9)	(13)
Cash flow from financing activities	184	154
Cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	3,803	3,243
Cash flow for the period	(1,044)	1,674
Exchange rate difference in cash and cash equivalents	(87)	587
Cash and cash equivalents at end of period	2,672	5,504

Q2 2026 INVESTOR UPDATE

CEO *Opening Remarks.*

Q2 performance *highlights.*

	THE QUARTER Q2'26	YOY
P&L		
Revenue	\$1,042m	+27%
Transaction margin	\$446m	+42%
Adj. operating profit	\$91m	+\$62m
Net income	\$9m	+\$62m
EPS (basic & diluted)	\$0.01	+\$0.15
KPIs		
GMV	\$36.6b	+18%
Active consumers	120m	+8%
Merchants	1.2m	+54%

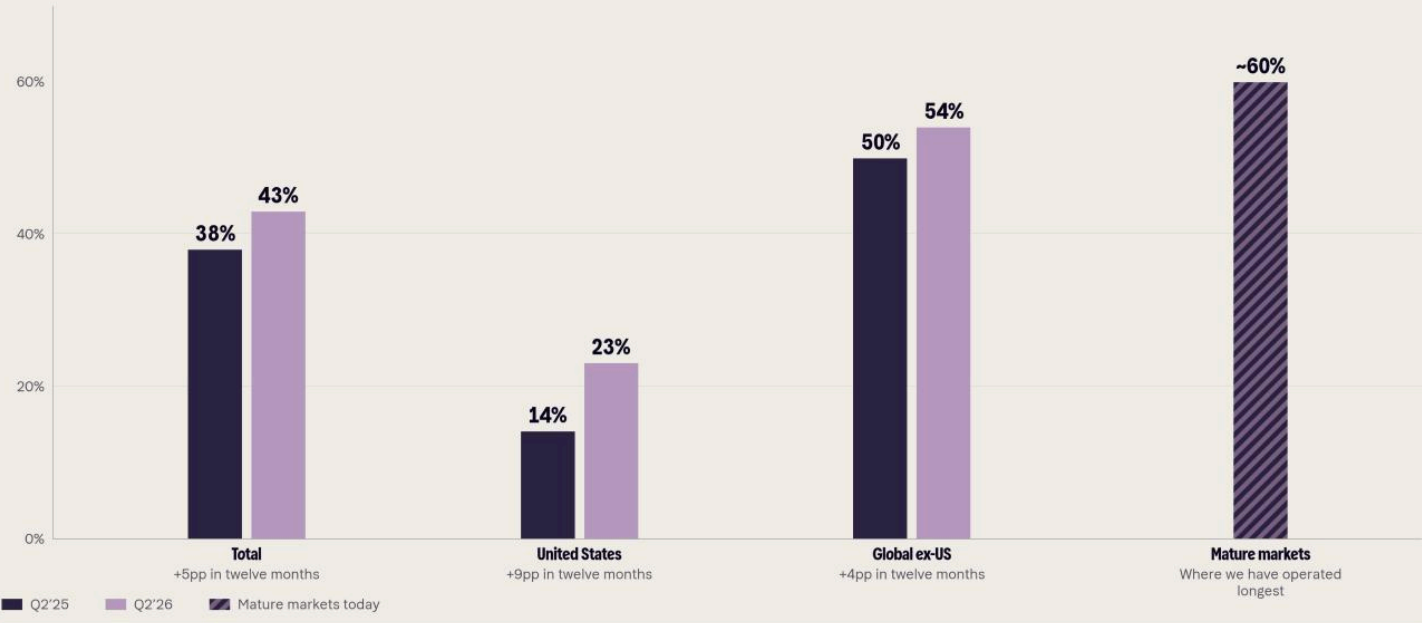
TMD and adjusted operating profit are non-IFRS measures; see the IR data pack.

Klarna's 3 business areas

BUSINESS AREA	Everyday Spend & Save	Lifestyle Spend	Big-Ticket Spend
SPEND TYPE	Nondurables & services	Semi-durables	Durables & travel
TYPICAL TICKET	<\$75	\$75-\$500	\$500-\$10k+
FREQUENCY	Daily Weekly	Weekly Monthly	Monthly Quarterly
CONSUMER NEED	Speed	Flexibility	Fixed-term installments
INDUSTRY PRODUCTS	Debit cards	Charge cards	POS installments
KLARNA PRODUCT	Pay Now	Pay in 4 Pay Later	Fair Financing Installments
DURATION	Mostly debit	30-90 days charge-card equivalent	6-24 months
REVENUE LINES	Payment fees · Subscriptions · Marketing	Merchant fees · Marketing	Merchant fees · Interest · Consumer fees
TOTAL CONSUMER SPEND	~\$11.0T NA ~\$5.3T · Int'l ~\$5.7T	~\$2.35T NA ~\$1.1T · Int'l ~\$1.25T	~\$5.0T NA ~\$2.9T · Int'l ~\$2.1T

Every market is on the same path, at a different point along it

Transaction margin as a percentage of revenue, Q2 2026



Transaction margin is non-IFRS; see the IR data pack for the mature-market list.

Quarterly updates

- 01 Membership growth
 - 02 Klarna Card
 - 03 J.P. Morgan Payments live
 - 04 Apple Upgrade live
 - 05 Credit performance
-

CFO SECTION

CFO

Financial Deep-Dive.

Q2 P&L Summary.

	Q2'25	Q2'26	YOY	LFL
Total Revenue	823	1,042	+27%	+25%
Transaction Costs	(508)	(596)	+17%	+16%
Transaction Margin Dollars	315	446	+42%	+39%
TMD margin (% of revenue)	38.3%	42.8%	+4.5pp	
Adj. Operating Profit	29	91	+\$62m	
IFRS non-transaction-related operating expenses	(361)	(419)	+16%	
Operating Income	(46)	27	+\$73m	
Net Income	(53)	9	+\$62m	
Earnings per share (basic & diluted)	(0.14)	0.01	+\$0.15	



IFRS non-transaction-related operating expenses is defined as IFRS operating expenses excluding processing and servicing costs, provision for credit losses and funding costs. Like-for-like (LFL) growth adjusts for FX by translating current-period amounts at prior-period exchange rates. Transaction Margin Dollars and Adjusted Operating Profit are non-IFRS measures; a full reconciliation is available in the data pack on our investor relations website.

Gross Merchandise *Volume.*

Q2'26 GMV BY MARKET				
	Q2'26	%	YOY	LFL
United States	\$7.9b	22%	+27%	+27%
Global (Ex-US)	\$28.8b	78%	+15%	+12%
Total	\$36.6b	100%	+18%	+15%

Q2'26 GMV BY PRODUCT				
	Q2'26	%	YOY	LFL
Pay Later Charge Card Equivalent	\$28.3b	77%	+13%	
Fair Financing POS Installments	\$4.7b	13%	+82%	
Pay in Full Everyday Spending	\$3.6b	10%	+0%	
Total	\$36.6b	100%	+18%	+15%

Like-for-like adjusts for FX at prior-period rates.

Revenue.

Q2'26 REVENUE TYPE · GROUP				
	Q2'26	% OF GMV	YOY	LFL
Txn & service	\$707m	1.93%	+17%	+15%
Gain on sale	\$69m	0.19%	n.m.	n.m.
Interest income	\$266m	0.73%	+21%	+19%
Total	\$1,042m	2.85%	+27%	+25%

UNITED STATES		
	Q2'26	YOY
Txn & service	\$238m	+23%
Gain on sale	\$41m	n.m.
Interest income	\$97m	+20%
Total	\$376m	+37%

GLOBAL EX-US			
	Q2'26	YOY	LFL
Txn & service	\$469m	+14%	+12%
Gain on sale	\$28m	n.m.	n.m.
Interest income	\$169m	+22%	+18%
Total	\$666m	+22%	+18%

Group percentages are share of GMV; by-market splits foot to Group. YoY reported; LfL adjusts for FX (US LfL equals reported).

Transaction Margin Dollars (TMD).

Q2'26 REVENUE TO TMD - GROUP				
	Q2'26	% OF GMV	YOY	LFL
Total Revenue	\$1,042m	2.85%	+27%	+25%
Transaction Costs	\$(596)m	1.63%	+17%	+16%
Processing & servicing	\$(233)m	0.64%	+25%	+23%
Provision for credit losses	\$(192)m	0.52%	+11%	+9%
Funding costs	\$(171)m	0.47%	+16%	+14%
TMD	\$446m	1.22%	+42%	+39%
TMD margin	42.8%	—	+4.5pp	—

UNITED STATES		
	Q2'26	YOY
Total Revenue	\$376m	+37%
Transaction Costs	\$(288)m	+22%
TMD	\$88m	+126%
TMD margin	23%	+9pp

GLOBAL EX-US			
	Q2'26	YOY	LFL
Total Revenue	\$666m	+22%	+18%
Transaction Costs	\$(308)m	+13%	+10%
TMD	\$358m	+30%	+27%
TMD margin	54%	+4pp	—

Group percentages are share of GMV; TMD margin is TMD as a percentage of revenue. By-market foots to Group. Non-IFRS; LfL adjusts for FX.

Delinquency: US.



US delinquencies as a share of originated volume. Fair Financing 30+ measured at four months on book, 60+ at six months; the Q1'26 Fair Financing 60+ cohort has not yet reached six months. Data as of 3 July 2026.

Outlook.

	FULL YEAR PRIOR GUIDANCE	FULL YEAR UPDATED (LOW)	FULL YEAR UPDATED (HIGH)	Q3'26
GMV	>\$155.0bn	\$149.0bn	\$151.0bn	\$35–36b
Revenue, % of GMV	>2.80%	2.74%	2.75%	\$940–980m
<i>Revenue, % of GMV</i> <i>(excluding fair value presentation change)</i>	<i>>2.80%</i>	<i>2.84%</i>	<i>2.85%</i>	
in \$	>\$4.34bn	\$4.08b	\$4.16b	
TMD, % of GMV	>1.04%	1.09%	1.09%	\$340–360m
<i>TMD, % of GMV</i> <i>(excluding fair value presentation change)</i>	<i>>1.04%</i>	<i>≈1.07%</i>	<i>≈1.07%</i>	
in \$	>\$1.61bn	\$1.62b	\$1.65b	
AOI, % of revenue	>6.90%	6.90%	7.20%	\$5–15m
in \$	>\$299m	\$280m	\$300m	

FY'26 GMV is the volume assumption underlying the take-rate and margin guidance; dollar figures are the translation of the guided percentages at that assumption. Updated TMD and revenue figures are reported, including the fair-value presentation change, which contributes approximately 2 basis points of GMV to TMD and approximately 10 basis points to the take rate; the excluding-change levels are shown in the italic rows above. Transaction Margin Dollars and Adjusted Operating Income are non-IFRS measures; we do not provide reconciliations of forward-looking non-IFRS measures because the impact and timing of excluded items are inherently uncertain and unavailable without unreasonable efforts. This guidance is only effective as of August 18, 2026 and will not be updated or affirmed unless and until we publicly announce updated or affirmed guidance. German retail sales: Destatis (Federal Statistical Office), press release No. 272, 3 August 2026 (corrected 7 August); H1 2026 retail sales +0.7% in real terms versus H1 2025.

APPENDIX · Q2 2026

Reconciliations.

Q2'26	Operating expenses	Restructuring and other	Share-based payments	Depreciation and amortization	Adjusted operating expenses
Technology and product development	130	–	(4)	(14)	111
Sales and marketing costs	128	–	(18)	–	111
Customer service and operations	58	–	(1)	–	57
General and administrative	91	–	(14)	–	76
Depreciation, amortization (excl. software) and impairments	12	(4)	–	(8)	–
Total	419	(4)	(38)	(23)	355

Q2'25	Operating expenses	Restructuring and other	Share-based payments	Depreciation and amortization	Adjusted operating expenses
Technology and product development	120	–	(8)	(19)	93
Sales and marketing costs	93	–	(10)	–	83
Customer service and operations	51	–	(3)	–	48
General and administrative	65	2	(5)	–	62
Depreciation, amortization (excl. software) and impairments	32	(24)	–	(9)	–
Total	361	(21)	(26)	(28)	286

Amounts in USD millions. Reconciliation of IFRS operating expenses to adjusted operating expenses (non-IFRS).

Reconciliations.

Amounts in USD millions	Q2'26	Q2'25
Operating profit (loss)	27	(46)
Technology and product development	130	120
Sales and marketing costs	128	93
Customer service and operations	58	51
General and administrative	91	65
Depreciation, amortization (excl. software) and impairments	12	32
Transaction margin dollars	446	315

Amounts in USD millions. Reconciliation of IFRS operating profit (loss) to transaction margin dollars (non-IFRS).

Important *disclosures.*

Forward-Looking Statements

This presentation contains forward-looking statements. All statements contained in this presentation other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, market growth and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "intend," "should," "could," "would," "project," "target," "plan," "expect," "predict," "potential" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions are intended to identify forward-looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are expressed in good faith and made upon a reasonable basis, we cannot guarantee future results, performance or achievements. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. We undertake no obligation to update any of these forward-looking statements for any reason after the date of this presentation or to conform these statements to actual results or to changes in our expectations, except as required by law. Investors should not place undue reliance on these forward-looking statements and should review the risk factors in our filings with the SEC for a more complete discussion of risks.

Market and Industry Data

Market data and certain industry forecast data used in this presentation were obtained from internal reports, where appropriate, third-party sources as well as other publicly available information. Data regarding the industries in which we compete and our market position and market share within these industries are inherently imprecise and are subject to significant business, economic and competitive uncertainties beyond our control. In addition, assumptions and estimates of our and our industries' future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause our future performance to differ materially from our assumptions and estimates. As a result, you should be aware that market, ranking and other similar industry data included in this presentation, and estimates and beliefs based on that data, may not be reliable. See "Forward-Looking Statements" above. We do not accept any responsibility for the factual correctness of any information contained in this presentation obtained or derived from third parties.

Trademarks, Tradenames and Service Marks

This presentation includes trademarks, tradenames and service marks, certain of which belong to us and others that are the property of other organizations. Solely for convenience, trademarks, tradenames and service marks referred to in this presentation appear without the "™" and "®" symbols, but the absence of those symbols is not intended to indicate, in any way, that we will not assert our rights, or that the applicable owner will not assert its rights, to these trademarks, tradenames and service marks to the fullest extent under applicable law. We do not intend our use or display of other parties' trademarks, tradenames or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

Financial Outlook

The financial outlook included in this presentation is only effective as of the date given, August 18, 2026, and will not be updated or affirmed unless and until we publicly announce updated or affirmed guidance. Distribution or reference of this presentation following the date hereof does not constitute Klarna re-affirming guidance.

Non-IFRS Financial Measures

We use certain non-IFRS financial measures to supplement our consolidated financial statements, which are presented in accordance with IFRS. These non-IFRS financial measures include transaction margin dollars, transaction margin, adjusted operating profit (loss) and adjusted operating margin. We use these non-IFRS financial measures to facilitate the review of our operational performance and as a basis for strategic planning. We also present period-over-period changes in certain metrics on a like-for-like basis, which are calculated by adjusting the applicable metric for (1) the sale of KCO and (2) the impact of foreign currency fluctuations. The impact of foreign currency fluctuations is calculated by translating the reported amounts in the current period using the exchange rates in use during the comparative prior period. We believe that presenting changes in our revenue and transaction margin dollars on a like-for-like basis, which exclude the impact of the recent sale of KCO and foreign currency fluctuations, provides useful information regarding our underlying business trends and facilitates comparisons of our financial performance over prior periods on a consistent basis.

Transaction margin dollars and transaction margin are key performance measures used by our management to measure our ability to attain efficiency and scale and to grow these metrics over time. They measure our success in growing revenue while effectively managing our processing and servicing costs, provision for credit losses and funding costs in both maturing markets (which include the Nordics, Germany, Netherlands, Austria, Switzerland and the U.K.) and new markets (which include the remaining markets in which we currently operate, including the United States). We primarily strive to grow our revenue by increasing the number of our active Klarna consumers and ARPAC as well as expanding into additional markets. In parallel, we seek to drive efficiencies in our processing and servicing costs and to effectively manage our credit losses by improving our underwriting capabilities,

In particular in our new markets, while maintaining low and stable funding costs. Our management uses transaction margin dollars and transaction margin in assessing our success in meeting these objectives.

In addition, by excluding certain items that are nonrecurring or not reflective of the performance of our normal course of business, we believe that adjusted operating profit (loss) and adjusted operating margin provide meaningful supplemental information regarding our performance. Accordingly, we believe that these non-IFRS financial measures are useful to investors and others because they allow investors to supplement their understanding of our financial trends and evaluate our ongoing and future performance in the same manner as management. However, there are several limitations related to the use of non-IFRS financial measures as they reflect the exercise of judgment by our management about which expenses are excluded or included in determining these non-IFRS measures. These non-IFRS measures should be considered in addition to, not as a substitute for or in isolation from, our financial results prepared in accordance with IFRS. Other companies, including companies in our industry, may calculate these non-IFRS (or similar non-GAAP) financial measures differently or not at all, which reduces their usefulness as comparative measures.

Transaction margin dollars is defined as total revenue less total transaction costs, consisting of processing and servicing, provision for credit losses and funding costs. Transaction margin is calculated by dividing transaction margin dollars by our total revenue. Adjusted operating profit (loss) is defined as operating profit (loss) excluding (i) depreciation, amortization and impairments, (ii) share-based payments expense, (iii) severance-related restructuring costs and (iv) expenses related to the preparation to this offering not connected to the issue and sale of ordinary shares by us in this offering. Adjusted operating margin is defined as adjusted operating profit (loss) divided by our total revenue. Depreciation, amortization and impairments below include amounts recorded within Technology and product development expenses in our consolidated statements of profit and loss. We consider the exclusion of certain nonrecurring or noncash items in calculating adjusted operating profit (loss), adjusted operating margin and adjusted non-transaction-related operating expenses to provide a useful measure for investors and others to evaluate our operating results and expenses in the same manner as management.

We do not attempt to provide reconciliations of forward-looking Transaction margin dollars to the comparable IFRS measure because the impact and timing of potential charges or gains excluded from the calculation of our Transaction margin dollars are inherently uncertain and difficult to predict and are unavailable without unreasonable efforts. In addition, we believe such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a material impact on our financial performance.

**Klarna Group plc Unaudited
Interim Condensed
Consolidated Financial
Statements for the three and
six month period ended June
30, 2026**

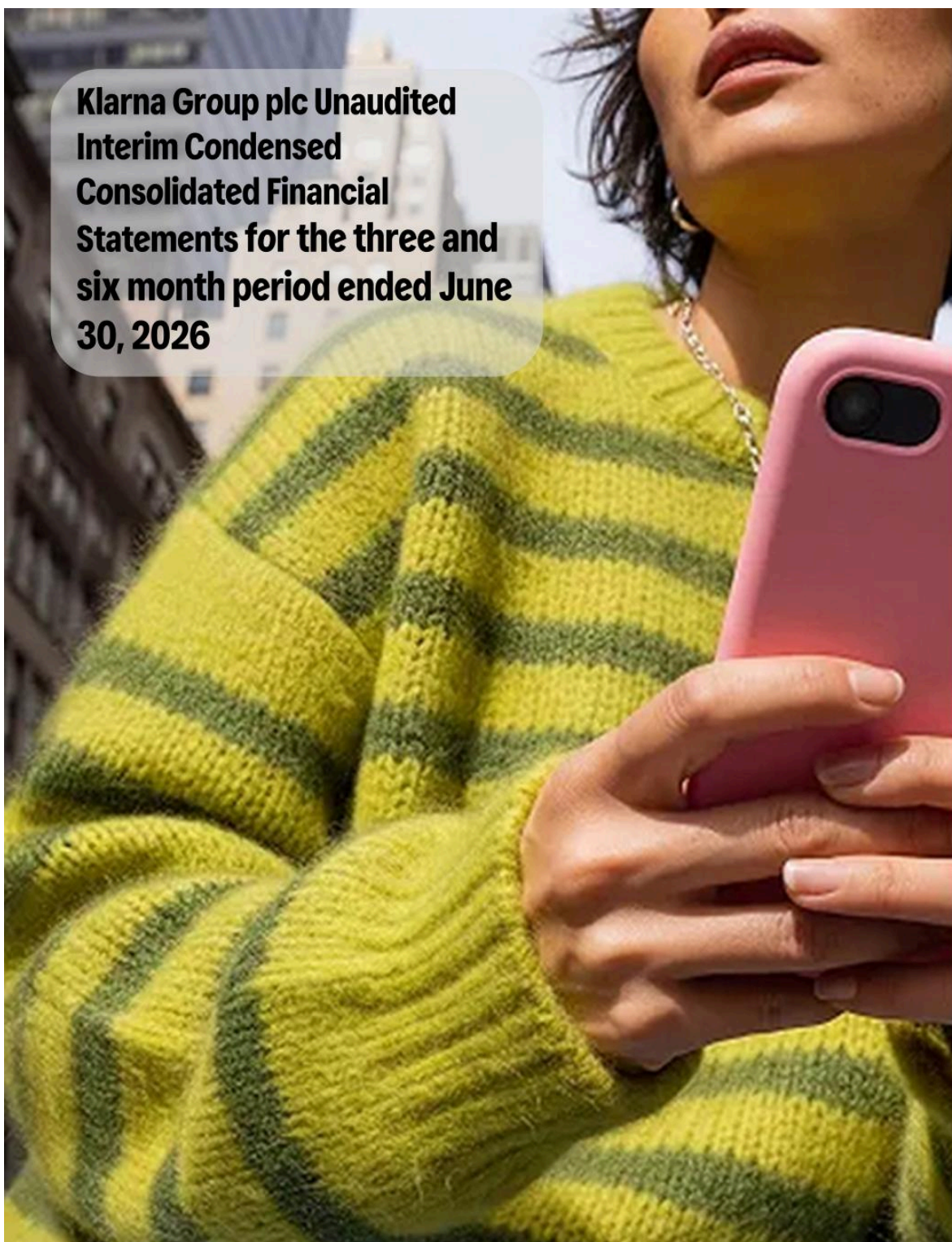


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(Unaudited)

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Interim condensed consolidated statement of profit or loss

(Unaudited)

USD millions, except per share amounts	Note	Three Months Ended		Six Months Ended	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Transaction and service revenue		707	604	1,378	1,123
Gain on sale of consumer receivables		69	—	126	—
Interest income		266	219	550	401
Total revenue	3	1,042	823	2,054	1,524
Processing and servicing costs		(233)	(187)	(499)	(351)
Provision for credit losses		(192)	(174)	(378)	(310)
Funding costs	11	(171)	(147)	(342)	(277)
Technology and product development		(130)	(120)	(259)	(235)
Sales and marketing		(128)	(93)	(233)	(184)
Customer service and operations		(58)	(51)	(112)	(102)
General and administrative		(91)	(65)	(171)	(159)
Depreciation, amortization and impairments		(12)	(32)	(15)	(42)
Operating expenses		(1,015)	(869)	(2,010)	(1,660)
Operating profit (loss)		27	(46)	44	(136)
Other income (expense)		—	—	(2)	(2)
Profit (loss) before taxes		27	(46)	42	(138)
Tax (expense) benefit	16	(18)	(7)	(32)	(14)
Net profit (loss)		9	(53)	10	(152)
Whereof attributable to:					
Shareholders of Klarna Group plc ..		4	(52)	(1)	(153)
Non-controlling interests		5	(1)	11	1
Total		9	(53)	10	(152)
Net profit (loss) per share attributable to shareholders of Klarna Group plc					
Basic	17	\$ 0.01	\$ (0.14)	\$ 0.00	\$ (0.42)
Diluted	17	\$ 0.01	\$ (0.14)	\$ 0.00	\$ (0.42)

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of comprehensive income or loss

(Unaudited)

USD millions	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Net profit (loss)	9	(53)	10	(152)
Items that are or may be reclassified to the statement of profit or loss:				
Foreign currency translation differences				
Exchange differences on translation of foreign operations	(42)	98	(114)	295
Consumer receivables at fair value through OCI				
Net changes in fair value for the period	—	—	(11)	—
Changes in expected credit losses	43	—	67	—
Reclassification to the statement of profit or loss	(49)	—	(65)	—
Other comprehensive (loss) income for the period	(48)	98	(123)	295
Total comprehensive (loss) income	(39)	45	(113)	143
Comprehensive income (loss) attributable to:				
Shareholders of Klarna Group plc	(44)	46	(124)	142
Non-controlling interests	5	(1)	11	1
Total comprehensive (loss) income	(39)	45	(113)	143

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position

(Unaudited)

USD millions	Note	June 30, 2026	December 31, 2025
Assets			
Cash and cash equivalents	4	2,672	3,803
Debt securities	5	2,593	1,518
Consumer receivables at amortized cost	6	8,831	10,459
Consumer receivables at fair value through OCI	10, 12	718	386
Consumer receivables at fair value through profit or loss	10, 12	204	400
Other financial assets at amortized cost	7	526	—
Settlement, trade and other receivables		544	580
Property and equipment		34	60
Goodwill		664	685
Intangible assets		345	383
Deferred tax assets	16	25	36
Other assets		610	487
Total assets		17,766	18,797
Liabilities			
Accounts payable and accrued expenses		546	655
Consumer deposits	12	11,673	13,003
Payables to merchants		934	736
Notes payable and other borrowings	8	1,687	1,359
Deferred tax liabilities	16	3	2
Other liabilities	9	256	358
Total liabilities		15,100	16,113
Equity			
Share capital	13	—	—
Additional paid in capital		458	427
Reserves		(213)	(90)
Retained earnings		2,196	2,170
Total equity excluding non-controlling interests		2,441	2,507
Non-controlling interests		225	177
Total equity		2,666	2,684
Total equity and liabilities		17,766	18,797

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in equity

(Unaudited)

USD millions	Share capital	Additional paid in capital	Reserves	Retained earnings	Equity excluding non-controlling interests	Non-controlling interests	Total equity
Balance as of January 1, 2026	—	427	(90)	2,170	2,507	177	2,684
Net profit (loss)	—	—	—	(5)	(5)	6	1
Consumer receivables fair value through OCI	—	—	(3)	—	(3)	—	(3)
Exchange differences on translating foreign currencies	—	—	(72)	—	(72)	—	(72)
New share issue	—	23	—	(4)	19	—	19
Share-based payments	—	—	—	36	36	—	36
Tax effects on share based payments	—	—	—	(7)	(7)	—	(7)
Other equity instruments coupons paid	—	—	—	5	5	(5)	—
Changes in non-controlling interests	—	—	—	(22)	(22)	(2)	(24)
Balance as of March 31, 2026	—	450	(165)	2,173	2,458	176	2,634
Net profit (loss)	—	—	—	4	4	5	9
Consumer receivables fair value through OCI	—	—	(6)	—	(6)	—	(6)
Exchange differences on translating foreign currencies	—	—	(42)	—	(42)	—	(42)
New share issue	—	8	—	—	8	—	8
Share-based payments	—	—	—	25	25	—	25
Issuance of other equity instruments ¹	—	—	—	—	—	52	52
Other equity instruments coupons paid	—	—	—	5	5	(5)	—
Changes in non-controlling interests	—	—	—	(11)	(11)	(4)	(15)
Balance as of June 30, 2026	—	458	(213)	2,196	2,441	225	2,666

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

¹ During the six months ended June 30, 2026, a subsidiary of Klarna Group Plc issued \$52 million (SEK 500m) of Additional Tier 1 ("AT1") securities. AT1 securities issued by subsidiaries of Klarna Group plc are considered non-controlling interests.

USD millions	Share capital	Additional paid in capital	Reserves	Accumulated deficit	Equity excluding non-controlling interests	Non-controlling interests	Total equity
Balance as of January 1, 2025	—	4,646	(479)	(2,081)	2,086	171	2,257
Net profit (loss)	—	—	—	(99)	(99)	—	(99)
Exchange differences on translating foreign currencies	—	—	197	—	197	—	197
New share issue	—	8	—	—	8	—	8
Share-based payments	—	—	—	43	43	—	43
Tax effects on share based payments	—	—	—	(47)	(47)	—	(47)
Changes in non-controlling interests	—	—	—	(18)	(18)	2	(16)
Balance as of March 31, 2025	—	4,654	(282)	(2,202)	2,170	173	2,343
Net profit (loss)	—	—	—	(53)	(53)	—	(53)
Exchange differences on translating foreign currencies	—	—	98	—	98	—	98
New share issue	—	151	—	(66) ¹	85	—	85
Share-based payments	—	—	—	18	18	—	18
Tax effects on share based payments	—	—	—	20	20	—	20
Changes in non-controlling interests	—	—	—	—	—	(1)	(1)
Balance as of June 30, 2025	—	4,805	(184)	(2,283)	2,338	172	2,510

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

¹ In April 2025, the non-controlling interest related to the Employee Equity Program in a Klarna Group subsidiary was exchanged for 1,948,166 ordinary shares in Klarna Group plc at a price of \$34 per share. The \$66 million associated with this transaction reflects the elimination of the intra-group investment, reclassified within equity and offset against Additional paid-in capital. There was no impact on total shareholders' equity or net income.

Interim condensed consolidated statement of cash flows
(Unaudited)

USD millions	Six Months Ended	
	June 30, 2026	June 30, 2025
Operating activities		
Profit (loss) before taxes	42	(138)
Income taxes paid	(18)	(36)
Interest expense paid	(230)	(212)
Interest income received	610	326
Adjustments for non-cash items in operating activities		
Depreciation, amortization and impairment	44	77
Share-based payments	67	85
Provision for credit losses	492	398
Financial items including fair value effects	11	(50)
Changes in the assets and liabilities of operating activities		
Change in consumer receivables at fair value through OCI	(315)	—
Change in consumer receivables at fair value through P&L	194	—
Change in consumer receivables at amortized cost	47	(1,485)
Change in other financial assets at amortized cost	(565)	—
Change in settlement, trade and other receivables	23	(178)
Change in notes payable and other borrowings	41	(9)
Change in consumer deposits	(604)	3,155
Change in bonds and treasury bills with maturity > 90 days	(1,042)	(742)
Change in other assets and liabilities	(11)	343
Cash flow from operating activities	(1,213)	1,534
Investing activities		
Investments in intangible assets	(16)	(13)
Investments in property and equipment	—	(1)
Cash flow from investing activities	(16)	(14)
Financing activities		
Other equity instruments issued	52	—
Notes payable and other borrowings issued	392	197
Notes payable and other borrowings redeemed	(251)	(30)
Principal payments of lease liabilities	(9)	(13)
Cash flow from financing activities	184	154
Cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	3,803	3,243
Cash flow for the period	(1,044)	1,674
Exchange rate difference in cash and cash equivalents	(87)	587
Cash and cash equivalents at end of period	2,672	5,504

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

A person wearing a yellow ribbed sweater and wide-leg pink pants is walking down a staircase. The staircase has a grey metal handrail on the left and a grey metal grate floor. Three shopping bags are on the stairs: a green one, a dark red one, and a tan one. The person is wearing light-colored pointed-toe shoes.

**Notes to the Unaudited Interim
Condensed Consolidated
Financial Statements for the
three and six month period
ended June 30, 2026**

Note 1 Corporate information

Klarna Group plc is a public company with limited liability incorporated under the laws of England and Wales. The interim consolidated financial statements consist of Klarna Group plc and its direct and indirect subsidiaries (collectively, "Klarna," the "Company," the "Group," "we," "us," or "our").

Klarna is a technology-driven payments company, with operations spanning multiple countries. We connect consumers and merchants with comprehensive payment solutions and tailored advertising solutions, both online and offline. Our payment solutions provide consumers with more control and flexibility over their payments.

The Company's ordinary shares are listed on the New York Stock Exchange following the completion of the Company's initial public offering on September 10, 2025.

Note 2 Accounting principles**1. Basis of preparation and consolidation**

The interim condensed consolidated financial statements are prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and have been prepared on a historical cost basis, except for equity investments, derivatives and consumer receivables at fair value through profit or loss or at fair value through other comprehensive income or loss, which have been measured at fair value, and lease liabilities, which are measured at present value. These interim condensed consolidated financial statements are prepared on a going concern basis. All amounts in the notes to the interim condensed consolidated financial statements are stated in millions of United States dollars ("USD"), unless otherwise stated.

The interim condensed consolidated financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2025, as filed with the SEC as part of the Group's Annual Report on Form 20-F, as they do not include all the information and disclosures required in the annual consolidated financial statements. Accounting principles and calculation methods applied in these interim condensed consolidated financial statements are consistent with those in the Group's consolidated financial statements for the year ended December 31, 2025. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the full year or any other interim period.

2. New and amended standards and interpretations**Standards and amendments effective for the period**

There were no new IFRS standards, amendments to standards or interpretations that became effective during the period that had a material effect on these interim condensed consolidated financial statements.

New Standards and amendments issued but not yet effective

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 impacts of IFRS 18, which introduces three sets of new requirements relating to the structure of the income statement, management-defined performance measures and the aggregation and disaggregation of financial information.

3. Significant accounting judgments, estimates and assumptions

In preparing these interim financial statements, the significant judgments, estimates and assumptions made by management in applying the Group’s accounting policies were the same as those applied to the consolidated financial statements for the year ended December 31, 2025 as filed with the SEC as part of the Group’s Annual Report on Form 20-F. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events.

Note 3 Operating segments

Klarna’s CODM role is fulfilled by the executive officers as a group, who collaboratively assess financial performance and make resource allocation decisions on a consolidated basis. Klarna operates as one operating segment and has one reportable segment.

Transaction and service revenue comprises transaction revenue and consumer service revenue. For the three months ended June 30, 2026 and 2025, transaction revenue was \$571 million and \$512 million, respectively, and consumer service revenue was \$136 million and \$92 million, respectively. For the six months ended June 30, 2026 and 2025, transaction revenue was \$1,100 million and \$940 million, respectively, and consumer service revenue was \$278 million and \$183 million, respectively.

Klarna entered into sales agreements in respect of Fair Financing consumer receivables during the six months ended June 30, 2026, comprising initial sales of the existing portfolios held at amortized cost and forward flow agreements at fair value through other comprehensive income. These sales resulted in a gain on sale of consumer receivables of \$69 million for the three months ended June 30, 2026 and \$126 million for the six months ended June 30, 2026. There were no comparable gains in the three and six months ended June 30, 2025.

The following table presents geographic information related to revenue for Klarna’s single operating segment. Transaction revenue, consumer service revenue, gain on sale of consumer receivables and interest income are presented by major geographic regions based upon the billing address of the consumer. Interest income derived from the cash and liquidity management of the Group is based on the geographic location of the financial institution for which financial instruments have been purchased.

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Geographical breakdown				
United States	\$ 376	\$ 275	\$ 775	\$ 513
Germany	240	207	461	388
United Kingdom	120	109	231	194
Other countries	306	232	587	429
Revenue	\$ 1,042	\$ 823	\$ 2,054	\$ 1,524

During the three and six months ended June 30, 2026 and 2025, no individual country within other countries contributed more than 10% of revenues.

Note 4 Cash and cash equivalents

The Group's cash and cash equivalents consisted of:

	June 30, 2026	December 31, 2025
Cash held at central banks	\$ 2,194	\$ 2,578
Treasury bills held at central banks	—	543
Other bank deposits	478	682
Total cash and cash equivalents	\$ 2,672	\$ 3,803

Cash held at central banks consist of deposits in accounts with central banks under government authority primarily where (i) the central bank is domiciled and (ii) the balance is readily available.

Note 5 Debt securities

As of June 30, 2026 and December 31, 2025, debt securities consisted of the following:

	June 30, 2026	December 31, 2025
Treasury bills chargeable at central banks	\$ 2,142	\$ 1,365
Mandatory deposits at central banks	93	93
Bonds and other interest bearing securities	358	60
Total debt securities and other liquid assets	\$ 2,593	\$ 1,518

The Group monitors the credit ratings for the securities held throughout the investment holding period. The allowance for expected credit losses is immaterial due to the credit quality of the issuers and low risk of default.

Mandatory deposits at central banks are held with local central banks for the purpose of satisfying regulatory requirements. These deposits are not available for immediate use to support the Company's day-to-day operations.

Treasury bills chargeable at central banks and bonds and other interest-bearing securities both increased during the period, reflecting the reallocation of a portion of the Group's liquid assets into these instruments to enhance the yield generated on the liquidity portfolio. Bonds and other interest-bearing securities further included \$171 million of securities, as at June 30, 2026, pledged as collateral in connection with the synthetic securitization transaction described in Note 10.

Note 6 Consumer receivables at amortized cost

Consumer receivables represent amounts due from consumers related to Klarna's flexible payment options, including Pay Later and Fair Financing solutions. Consumer receivables, except those which are managed within a business model whose objective is to originate and sell or within a hold-to-collect-and-sell business model (see Note 10), are measured at amortized cost, including outstanding principal balances, unamortized deferred origination costs, accrued interest and net of allowances for expected credit losses.

The below tables summarize consumer receivables at amortized cost for the periods ended June 30, 2026 and December 31, 2025:

	June 30, 2026		
	Gross Carrying Amount	Allowance for ECL	Net Carrying Amount
Fair Financing receivables	\$ 3,259	\$ (236)	\$ 3,023
Pay Later receivables	5,986	(178)	5,808
Total	\$ 9,245	\$ (414)	\$ 8,831

	December 31, 2025		
	Gross Carrying Amount	Allowance for ECL	Net Carrying Amount
Fair Financing receivables	\$ 4,604	\$ (272)	\$ 4,332
Pay Later receivables	6,347	(220)	6,127
Total	\$ 10,951	\$ (492)	\$ 10,459

Klarna assigns outstanding loans to one of three stages based on repayment performance to measure the allowance for credit losses of consumer receivables. The below tables reconcile the Group's classification of Fair Financing and Pay Later consumer receivables by stage for the opening and closing balances:

Fair Financing receivables	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as of January 1, 2026	\$ 4,267	\$ 216	\$ 121	\$ 4,604
New assets originated or purchased	5,451	46	24	5,521
Assets repaid ¹	(6,238)	(262)	(61)	(6,561)
Transfers to stage 1	201	(196)	(5)	—
Transfers to stage 2	(600)	608	(8)	—
Transfers to stage 3	(11)	(240)	251	—
Amounts written off ²	(13)	(10)	(177)	(200)
Proceeds received from the sale of uncollectible consumer receivables	—	(2)	(16)	(18)
Other adjustments ³	(81)	(4)	(2)	(87)
Gross carrying amount as of June 30, 2026	\$ 2,976	\$ 156	\$ 127	\$ 3,259

¹ Assets repaid includes the sale of an existing portfolio of Fair Financing receivables within the period. See further details in Note 10 and Note 12.

² Amounts written off include both write-offs arising from credit risk as well as write-offs arising from non-credit risk related events, principally merchant fulfillment failures and unauthorized transactions where the consumer has no contractual obligation to pay.

³ Other adjustments are primarily driven by fluctuations in the USD foreign exchange rate.

Pay Later receivables	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as of January 1, 2026	\$ 5,936	\$ 263	\$ 149	\$ 6,347
New assets originated or purchased	27,551	30	12	27,593
Assets repaid	(26,885)	(503)	(114)	(27,502)
Transfers to stage 1	58	(58)	—	—
Transfers to stage 2	(777)	777	—	—
Transfers to stage 3	(7)	(311)	318	—
Amounts written off ¹	(15)	(7)	(159)	(181)
Proceeds received from the sale of uncollectible consumer receivables	—	—	(87)	(87)
Other adjustments ²	(175)	(5)	(4)	(184)
Gross carrying amount as of June 30, 2026	\$ 5,686	\$ 186	\$ 115	\$ 5,986

¹ Amounts written off include both write-offs arising from credit risk as well as write-offs arising from non-credit risk related events, principally merchant fulfillment failures and unauthorized transactions where the consumer has no contractual obligation to pay.

² Other adjustments are primarily driven by fluctuations in the USD foreign exchange rate.

The activity in the Group's allowance for credit losses recognized for Fair Financing and Pay Later consumer receivables, based on the above stage classifications, is detailed in the below table:

Fair Financing receivables	Stage 1	Stage 2	Stage 3	Total
Allowance as of January 1, 2026	\$ (127)	\$ (52)	\$ (93)	\$ (272)
New assets originated or purchased	(128)	(8)	(3)	(139)
Assets repaid	143	47	42	232
Transfers to stage 1	(28)	25	3	—
Transfers to stage 2	89	(94)	5	—
Transfers to stage 3	1	154	(155)	—
Other movements in ECL allowance	(31)	(134)	(46)	(211)
Amounts written off ¹	2	5	144	151
Other adjustments ²	1	1	1	3
Allowance as of June 30, 2026	\$ (78)	\$ (56)	\$ (102)	\$ (236)

¹ Amounts written off include both write-offs arising from credit risk as well as write-offs arising from non-credit risk related events, principally merchant fulfillment failures and unauthorized transactions where the consumer has no contractual obligation to pay.

² Other adjustments are primarily driven by fluctuations in the USD foreign exchange rate.

Pay Later receivables	Stage 1	Stage 2	Stage 3	Total
Allowance as of January 1, 2026	\$ (73)	\$ (56)	\$ (91)	\$ (220)
New assets originated or purchased	(170)	(12)	(2)	(184)
Assets repaid	223	60	71	354
Transfers to stage 1	(1)	1	—	—
Transfers to stage 2	63	(63)	—	—
Transfers to stage 3	1	145	(146)	—
Other movements in ECL allowance	(105)	(128)	(49)	(282)
Amounts written off ¹	3	4	143	150
Other adjustments ²	1	1	2	4
Allowance as of June 30, 2026	\$ (58)	\$ (48)	\$ (72)	\$ (178)

¹ Amounts written off include both write-offs arising from credit risk as well as write-offs arising from non-credit risk related events, principally merchant fulfillment failures and unauthorized transactions where the consumer has no contractual obligation to pay.

² Other adjustments are primarily driven by fluctuations in the USD foreign exchange rate.

Note 7 Other financial assets at amortized cost

As of June 30, 2026 and December 31, 2025, Other financial assets at amortized cost consisted of the following:

	June 30, 2026	December 31, 2025
Reverse repurchase agreements	\$ 247	\$ —
Loans to structured entities	279	—
Total other financial assets at amortized cost	\$ 526	\$ —

As part of its treasury liquidity operations, the Group enters into reverse repurchase agreements with various counterparties to deploy liquidity. Substantially all the risks and rewards relating to the securities purchased under such agreements remain with the counterparty. As at June 30, 2026, cash advanced against securities under such agreements amounted to \$247 million, and is recognized as an asset under other financial assets at amortized cost within the consolidated balance sheet. The difference between the purchase and resale price of such securities is accrued over the term of the agreement using the effective interest method, with \$3.8 million recognized as Interest income within the consolidated statements of profit or loss during the six months ended June 30, 2026. Securities received as collateral may be sold or re-pledged subject to the terms of the agreement.

Loans to structured entities relate to senior funding provided to the purchasing counterparty under the Group's increased forward flow arrangements. See Note 10 for further details.

Note 8 Notes payable and other borrowings

As of June 30, 2026 and December 31, 2025, notes payable and other borrowings consisted of the following:

	June 30, 2026	December 31, 2025
Warehouse financing facility	\$ 573	\$ 589
Liabilities to financial institutions	372	163
Senior unsecured bonds	399	326
Subordinated liabilities	179	184
Commercial papers	92	84
Derivatives	72	13
Total notes payable and other borrowings	\$ 1,687	\$ 1,359

In the six months ended June 30, 2026, Klarna issued credit-linked notes ("CLNs") in connection with the synthetic securitization transaction described in Note 10. Such CLNs, are included in liabilities to financial institutions at a carrying amount of \$171 million as at June 30, 2026.

In the six months ended June 30, 2026, Klarna issued a total of, at issuance, approximately \$158 million of SEK and EUR denominated commercial papers (SEK 1,250 million and EUR 18 million) across thirteen transactions between January 15 and June 17, 2026, with maturities ranging from April to December 2026 and discount rates between 2.20% and 2.71%.

Over the same period, Klarna redeemed approximately \$144 million of commercial papers (SEK 1,125 million and EUR 18 million) across twelve transactions between January 15 and June 30, 2026.

Note 9 Other liabilities

The Group's other liabilities as of June 30, 2026 and December 31, 2025 consisted of:

	June 30, 2026	December 31, 2025
Lease liabilities	\$ 65	\$ 80
Commercial agreement liabilities	34	40
Income and payroll tax payables	34	28
Provisions	16	13
Payable to SPV ¹	24	44
Others	83	153
Total	\$ 256	\$ 358

¹ Refer to Note 10 for further details on payable to SPV.

Commercial agreement liabilities

Commercial agreement liabilities represent unpaid costs relating to commercial agreement assets.

Provisions

The Group recognizes provisions for present obligations arising from past events when payment of the obligations is probable and can be reliably estimated. Provisions primarily consist of consumer refund commitment, and pending legal and tax litigation. Changes in provisions were immaterial in 2026 and 2025.

Klarna offers a Buyer Protection Policy, pursuant to which the Group reimburses consumers in certain circumstances, including where a merchant does not adequately resolve a purchase return for purchases made using a Klarna payment method. The Group recognizes a provision for the expected unrecovered portion of such reimbursements. The total gross transaction value covered by the Buyer Protection Policy as at June 30, 2026 and December 31, 2025 was \$1,104 million and \$889 million, respectively, which, while not representing a liability, contingent liability, or commitment, represents the underlying exposure used in measuring the related provision.

Contingent liabilities

In the ordinary course of business, the Group is involved in various proceedings and inquiries, which may include legal, arbitration, dispute, administrative, and regulatory matters. Where an outflow is not considered probable, no provision is recognized. The assessment of whether a present obligation exists involves significant judgment.

Were future obligations to arise in respect of such matters pending, possible outcomes could aggregate to a range of \$100 million to \$200 million. This range reflects, among other things, the nature, uncertainty and current status of these ongoing matters, being an aggregate across such matters taken as a whole and not an estimate of any individual matter.

FTC Inquiry

The Group has been subject to an ongoing inquiry by the U.S. Federal Trade Commission ("FTC") in relation to the Group's Buyer Protection Policy, and in August 2026, received a draft complaint from the FTC in respect of this matter. The Group does not agree with the positions set out by the FTC staff and is in the early stages of discussions to explore resolution. The matter remains in preliminary stage and is included in the contingent liabilities described above.

Note 10 Structured entities

Klarna enters into arrangements with structured entities, and consolidates such entities where it has power over key activities and exposure and ability to influence its own returns, and does not consolidate such entities where those conditions are not met. Klarna's consolidated structured entities comprise a warehouse financing facility and an employee benefit trust. Klarna also enters into arrangements with unconsolidated structured entities through synthetic securitizations, under which credit risk on pools of consumer receivables is transferred without derecognition, and forward flow arrangements, under which specified pools of consumer receivables are transferred to securitization vehicles ("SPV") and derecognized.

In March 2026, Klarna increased one of its existing forward flow arrangements from one to two billion USD, with an unconsolidated SPV, to which specified pools of eligible U.S. Fair Financing consumer receivables will be transferred. Klarna derecognize these receivables upon transferring the contractual rights to the cash flows and substantially all associated risks and rewards. The agreements are fixed-term, with commitment periods ranging from one to three years, during which Klarna sells eligible receivables shortly after origination. The purchasing counterparty is committed to purchase all eligible receivables offered up to its commitment amount of \$2.0 billion. Klarna committed to provide senior funding of up to \$400 million in connection with the arrangement. The funding is secured by the receivables pool and the lender tranche benefits from subordination of the investor tranche, whereby the first losses of up to \$310 million will be borne by the purchasing counterparty. As of June 30, 2026, \$279 million of senior funding had been extended to the purchasing counterparty and recognized as loans to structured entities under Other financial assets at amortized cost in the consolidated balance sheet (see Note 7). In connection with increasing this arrangement, Klarna sold an existing pool of U.S. Fair Financing receivables totalling \$496 million in the three month ended March 31, 2026 (see Note 3). These receivables sold were previously held at amortized cost.

In addition, in March 2026, Klarna entered into a synthetic securitization transaction, where it economically transferred a portion of credit risk for certain pools of consumer receivables (the “referenced pools”), which remains on Klarna’s balance sheet, with the primary objective of lowering the regulatory capital risk weights of the underlying assets. Credit risk for each referenced pool is separated into three tranches: junior, mezzanine, and senior. Klarna retains the risk for the junior and senior tranches and transfers the risk for the mezzanine tranche to investors through issuing EUR 150 million of CLNs to external investors. The total consumer receivables pool committed under the transaction is EUR 1.5 billion. As at June 30, 2026, CLNs at a carrying amount of \$171 million had been issued under the transaction, and recognized under liabilities to financial institutions (see Note 8).

Further, in June 2026, Klarna entered into a new forward flow arrangement with an unconsolidated structured entity, to which specified pools of eligible German Fair Financing consumer receivables are transferred shortly after origination. Klarna derecognize the receivables transferred upon transferring the contractual rights to their cash flows and substantially all the associated risks and rewards, and retains no equity, subordinated, residual or risk-retention interest in the structure. The arrangement is fixed-term, comprising an initial sale of an existing portfolio during the period and a 24-month forward-flow arrangement commencing July 1, 2026, during which the purchasing counterparty is committed to purchase all eligible receivables offered up to its commitment amount of EUR 900 million. The first losses on the transferred receivables are borne by the purchasing counterparty’s through their subordinated position. Klarna continues to service the receivables for a market-rate fee. In connection with entering into this arrangement, Klarna sold an existing pool of German Fair Financing receivables totalling \$967 million in the three months ended June 30, 2026 (see Note 3). These receivables sold were previously held at amortized cost.

The following table shows the carrying amount of Klarna’s recorded interest in its consolidated balance sheet as of June 30, 2026 and December 31, 2025, and represented the maximum exposure to risk associated with its interest in the unconsolidated structured entities. The maximum exposure reflects the total potential loss the Group could incur from its involvement, regardless of the likelihood of that loss being incurred.

	June 30, 2026	December 31, 2025
Consumer receivables at fair value through OCI	\$ 718	\$ 386
Consumer receivables at fair value through profit or loss	204	400
Loans to structured entities	279	—
Receivables from SPVs	170	54
Pledged assets under forward flow arrangements	2	—
Total assets	\$ 1,373	\$ 840
Payable to SPV	24	44
Total liabilities	\$ 24	\$ 44

During the six months ended June 30, 2026 and full year 2025, Klarna originated consumer receivables totalling \$14.7 billion and \$2.4 billion, respectively, classified at fair value through profit or loss, or fair value through other comprehensive income.

Following the transfer of consumer receivables Klarna typically continues to service the sold receivables on behalf of the SPVs for a servicing fee. The Company earned servicing income of \$15 million and \$2 million in the six months ended June 30, 2026 and 2025, respectively, recognized within Transaction and service revenue related to derecognized receivables. The servicing fees were commensurate with market rates and did not expose Klarna to credit losses beyond its contractual entitlements. The servicing arrangement did not constitute a form of retained interest that precluded derecognition.

As of June 30, 2026 and December 31, 2025, an aggregated balance of \$3.9 billion and \$2.9 billion, respectively, in sold receivables was recognized by the unconsolidated SPVs.

Note 11 Funding costs

The Group's funding costs for the periods ended June 30, 2026 and 2025 were as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Consumer deposits	(75)	(82)	(150)	(159)
Fair value adjustment on loans sold and held for sale...	(46)	(23)	(96)	(44)
Other cost of securitizations	(7)	(9)	(11)	(14)
Interest-bearing securities	(10)	(6)	(19)	(11)
Liabilities to credit institutions	(13)	(6)	(25)	(11)
Subordinated liabilities	(4)	(4)	(9)	(9)
Other funding costs	(16)	(17)	(32)	(29)
Total funding costs	(171)	(147)	(342)	(277)

Fair value adjustments on loans sold and held for sale relate to Pay Later receivables classified under the originate-to-sell business model and measured at fair value through profit or loss ("FVTPL"). See Note 10.

Note 12 Fair value measurement of financial assets and liabilities

The following table shows the Group's financial assets and liabilities measured at fair value on a recurring basis and identifies which of the three valuation levels the assets and liabilities have been classified into as of June 30, 2026 and December 31, 2025. No transfers between levels have been made during the six months ended June 30, 2026 or twelve months ended December 31, 2025.

Financial Instruments	June 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets				
Consumer receivables at fair value through profit or loss	\$ —	\$ —	\$ 204	\$ 204
Consumer receivables at fair value through OCI	—	—	718	718
Derivatives	—	14	—	14
Equity investments	6	—	6	12
Total financial assets	\$ 6	\$ 14	\$ 928	\$ 949
Liabilities				
Derivatives	\$ —	\$ 72	\$ —	\$ 72
Total financial liabilities	\$ —	\$ 72	\$ —	\$ 72

Financial Instruments	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Consumer receivables at fair value through profit or loss	\$ —	\$ —	\$ 400	\$ 400
Consumer receivables at fair value through OCI	—	—	386	386
Derivatives	—	21	—	21
Equity investments	7	—	8	15
Total financial assets	\$ 7	\$ 21	\$ 794	\$ 822
Liabilities				
Derivatives	\$ —	\$ 13	\$ —	\$ 13
Total financial liabilities	\$ —	\$ 13	\$ —	\$ 13

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		
	Equity investments	Consumer receivables at fair value through profit or loss	Consumer receivables at fair value through OCI
Balance as of December 31, 2025	\$ 8	\$ 400	\$ 386
Receivables originated	—	12,141	2,609
Receivables sold to third parties ²	—	(11,404)	(1,790)
Consumer receivable settlements	—	(836)	(431)
Gain/(loss) in statement of profit or loss ¹	(2)	(96)	—
of which: unrealized gain/(loss)	(2)	(6)	—
of which: realized gain/(loss)	—	(90)	—
Total gain/(loss) recognized in OCI	—	—	(56)
Balance as of June 30, 2026	\$ 6	\$ 204	\$ 718

¹ Fair value gains and losses on Pay Later loans sold and held for sale recognized in the statement of profit or loss are included in funding costs.

² Consumer receivables at fair value through profit or loss or at fair value through OCI sold during the six months ended June 30, 2026 totalled \$13,194 million in accordance with the table above. In addition, Klarna sold consumer receivables measured at amortized cost of \$1,480 million in the same period (see Note 6). Together, total Fair Financing receivables sold were \$3,269 million and total Pay Later receivables sold were \$11,404 million in the six months ended June 30, 2026; of which \$1,204 million and \$5,547 million, respectively, in the first quarter of 2026 and \$2,065 million and \$5,857 million, respectively, in the second quarter of 2026.

Financial assets and liabilities measured at amortized cost

The following tables show the fair value of financial instruments carried at amortized cost. They do not include financial assets and financial liabilities not measured at fair value where the carrying amount approximates fair value, which includes cash held at central banks, other bank deposits, mandatory deposits at central banks, consumer receivables, settlement, trade and other receivables, payables to merchants, loans to structured entities, repurchase agreement assets and liabilities (included in other financial assets at amortized cost and notes payable and other borrowings, respectively) and other liabilities.

Financial Instruments		June 30, 2026			
	Carrying Amount	Level 1	Level 2	Level 3	Balance at Fair Value
Assets					
Treasury bills at central banks	\$ 2,142	\$ 2,138	\$ —	\$ —	\$ 2,138
Bonds and other interest bearing securities	358	357	—	—	357
Total financial assets	\$ 2,500	\$ 2,495	\$ —	\$ —	\$ 2,495
Liabilities					
Consumer deposits	\$ 11,673	\$ —	\$ 11,763	\$ —	\$ 11,763
Subordinated liabilities	179	—	206	—	206
Senior unsecured bonds	399	—	402	—	402
Commercial papers	92	—	92	—	92
Credit-linked notes	171	—	171	—	171
Warehouse financing facility	573	—	570	—	570
Total financial liabilities	\$ 13,087	\$ —	\$ 13,204	\$ —	\$ 13,204

Financial Instruments		December 31, 2025			
	Carrying Amount	Level 1	Level 2	Level 3	Balance at Fair Value
Assets					
Treasury bills at central banks	\$ 1,908	\$ 1,909	\$ —	\$ —	\$ 1,909
Bonds and other interest bearing securities	60	60	—	—	60
Total financial assets	\$ 1,968	\$ 1,969	\$ —	\$ —	\$ 1,969
Liabilities					
Consumer deposits	\$ 13,003	\$ —	\$ 13,188	\$ —	\$ 13,188
Subordinated liabilities	184	—	206	—	206
Senior unsecured bonds	326	—	327	—	327
Commercial papers	84	—	84	—	84
Warehouse financing facility	589	—	589	—	589
Total financial liabilities	\$ 14,186	\$ —	\$ 14,394	\$ —	\$ 14,394

Treasury bills at central banks includes treasury bills held at central banks, presented within Cash and cash equivalents in the consolidated balance sheet, and treasury bills chargeable at central banks are included within Debt securities in the consolidated balance sheet. Bonds and other interest-bearing securities are included within Debt securities in the consolidated balance sheet. These financial instruments are valued at active market prices.

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

The table below represents net results from categories of the following financial instruments for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Financial instruments measured at fair value through profit or loss	\$ (12)	\$ 10	\$ (72)	\$ 77
Financial assets measured at amortized cost	671	588	1,343	1,102
Financial liabilities measured at amortized cost	(148)	(135)	(285)	(263)
Exchange gains/losses	17	(50)	67	(146)
Total	\$ 529	\$ 413	\$ 1,054	\$ 770

Note 13 Issued capital and reserves

Share capital

As of June 30, 2026, our issued and outstanding share capital consists of the following share classes:

	Ordinary shares	Class B shares	Deferred shares	Deferred shares	Deferred shares	Deferred shares
Nominal value	\$0.00010	\$0.00010	\$0.00073	\$11.35013	\$0.28000	\$0.00010
As of January 1, 2025	365,296,572	—	365,296,572	—	1	—
Shares issued	12,211,338	369,911,294	257,772	369,911,294	—	—
Capital reduction	—	(365,554,344)	(369,911,294)	(1)	(41,774,705)	—
Redesignation	—	(41,774,705)	—	—	—	41,774,705
As of December 31, 2025	377,507,910	328,136,589	—	—	—	—
Shares issued	1,652,156	—	—	—	—	—
Redesignation	—	(140,342,441)	—	—	—	140,342,441
As of June 30, 2026	379,160,066	187,794,148	—	—	—	140,342,441

The excess of the consideration received from issuance of shares over their nominal value is recognized as Additional paid in capital. In the six months ended June 30, 2026, an aggregate of 1,652,156 ordinary shares were issued, comprising:

- 1,080,000 ordinary shares issued following an exchange of subsidiary shares, previously acquired through exercise of such warrants, into ordinary shares of Klarna Group plc.
- 375,525 ordinary shares were issued following an exchange of ordinary shares in a subsidiary of Klarna Group plc pursuant to the Group's Employee Equity Program
- 196,631 ordinary shares issued to employees, including ordinary shares issued upon the vesting of restricted stock units in Klarna Group plc ("Klarna Group plc RSUs").

In addition, upon ordinary shares being sold by shareholders who held such shares at the time of the initial public offering, 140,342,441 Class B shares were redesignated into deferred shares, each with a nominal value of \$0.00010 ("Class B Redesignation").

It is also noted that during the three months ended June 30, 2026, 46,636 ordinary shares were granted to employees, including executive officers, of which 22,420 were withheld to cover statutory tax withholding obligations resulting in a net issuance of 24,216 ordinary shares. The corresponding share-based compensation expense has been recognized in the six months ended June 30, 2026 however, these shares had not been registered or issued as of the reporting date.

Note 14 Share-based payments

The following table presents share-based payment costs, inclusive of social security charges, recognized in the three and six months ended June 30, 2026 and 2025:

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Employee restricted share unit program	\$ (18)	\$ (20)	\$ (30)	\$ (33)
Share warrants and share options	(15)	(6)	(29)	(45)
Direct share issuance	(4)	—	(8)	(7)
Share-based payment costs	\$ (37)	\$ (26)	\$ (67)	\$ (85)
less: amounts recognized as reduction of revenue	—	—	—	(1)
Share-based payments expense	\$ (37)	\$ (26)	\$ (67)	\$ (86)

The below table includes additional details regarding RSUs, share warrants and options, issued by Klarna Group plc as of, and for the six months ended June 30, 2026.

	Klarna Group plc RSU program		Share warrants and options issued by Klarna Group plc		Share options to acquire C Class shares issued by Klarna Group plc	
	Number	Weighted average fair value at grant	Number	Weighted average exercise price ¹	Number ²	Weighted average exercise price ¹
December 31, 2025	998,907	\$ 34.2	27,132,727	\$ 60.6	20,446,908	\$ 42.0
Granted	444,832	14.9	402,394	15.1	2,795,264	7.5
Released ³	(3,775)	34.0	—	—	—	—
Exercised	—	—	—	—	—	—
Forfeited	(99,156)	33.5	—	—	—	—
June 30, 2026	1,340,808	\$ 27.8	27,535,121	\$ 59.9	23,242,172	\$ 37.9

¹ Where share options were granted in SEK, the input has been converted to USD using the average exchange rate for the period for presentation purposes.

² Two Class C share options entitle the recipient to acquire, at the recipient's election, either one ordinary share or two Class C shares on exercise. Weighted average exercise prices for Class C share options are expressed per Class C share; the equivalent exercise price expressed per ordinary share is double the figures shown.

³ Released represents RSUs that vested during the period and were settled through the delivery of shares in Klarna Group plc to employees.

The table below includes additional details regarding RSUs and share warrants, issued by a subsidiary of Klarna Group plc, as of, and for the six months ended June 30, 2026:

	Legacy RSU program		Share warrants issued by a subsidiary of Klarna Group plc	
	Number	Weighted average fair value at grant ¹	Number	Weighted average exercise price ²
December 31, 2025	14,597,215	\$ 5.1	2,227,521	\$ 605.0
Granted	—	—	—	—
Released ³	(3,019,415)	5.2	—	—
Repurchased	—	—	(50,000)	251.2
Expired	—	—	(69,673)	0.1
Forfeited	(1,423,676)	5.0	(46,318)	660.7
June 30, 2026	10,154,124	\$ 5.1	2,061,530	\$ 632.8
Equivalent of Klarna Group plc Shares	2,497,915	\$ 20.7	24,738,360	\$ 52.7

¹ Legacy RSUs granted in SEK have been converted to USD using the average exchange rate for each period for presentation purposes.

² Where share warrants were granted in SEK, the input has been converted to USD using the average exchange rate for the period for presentation purposes.

³ Released represents RSUs that vested during the period and were settled through the delivery of shares in a subsidiary to employees.

Upon vesting, one Legacy RSU entitles the holder to receive a share in a subsidiary, and one share warrant issued by a subsidiary entitles the recipient to purchase one ordinary share in a subsidiary. We anticipate periodically facilitating the exchange of shares resulting from Legacy RSU program and share warrants exercised into subsidiaries into ordinary shares of Klarna Group plc.

The number of equivalent Klarna Group plc shares is presented as if the Legacy RSUs program and share warrants issued by a subsidiary of Klarna Group plc had been exchanged into Klarna Group plc ordinary shares as of the reporting date. If exchanged, the number of shares exchanged is dependent on the value of Klarna Group plc at the time of exchange. As of June 30, 2026, one Legacy RSU and one warrant would correspond to approximately 0.25 and 12 ordinary shares of Klarna Group plc, respectively.

In the six months ended June 30, 2026:

- 444,832 RSUs were awarded to employees, which are issuable into ordinary shares of Klarna Group plc upon vesting. The weighted average fair value at grant was \$14.9, determined based on the fair value of the ordinary shares on the grant date. The RSUs generally vest over a four-year staggered vesting schedule, with 25% of the shares vesting each year. If the participant leaves Klarna, unvested RSUs are forfeited.
- 437,166 ordinary shares were granted to employees, including executive officers, of which 220,094 were withheld to cover statutory tax withholding obligations resulting in a net issuance of 217,072 ordinary shares. There were no vesting conditions or restrictions placed on the awards and, accordingly, the related share-based compensation expense, based on the grant-date fair value of the awards, was recognized immediately. The weighted average fair value of the ordinary shares granted was \$15.3.
- 2,795,264 C Class options, with two options entitling the recipient to acquire either one ordinary share or two C Class shares in Klarna Group plc, at the agreed strike price, were granted to Sebastian Siemiatkowski, our Co-Founder and Chief Executive Officer. These awards were fully vested on the grant date.
- 402,394 options to acquire one ordinary share in Klarna Group plc, at the agreed strike price, were granted to two executive officers. These awards were fully vested on the grant date.

Klarna uses the Black-Scholes model when calculating the fair value of share warrants and options granted, including share options to acquire C Class shares. The inputs used within the model for the share warrants and options granted during the six months ended June 30, 2026 were:

	Six Months Ended June 30, 2026
Expected volatility (%)	42%
Risk-free interest rate (%)	3.8% - 4.1%
Expected term (years)	2.5 - 3.0
Weighted average share price for instruments issued by Klarna Group plc (in USD)	15.1

Note 15 Information on related parties

Milkywire was founded in 2018 by Nina Siemiatkowski, who is the spouse of Sebastian Siemiatkowski, our Co-Founder and Chief Executive Officer. Klarna paid Milkywire AB \$0.9 million in 2025 and \$0.3 million through the first two quarters of 2026, respectively, for sustainability-related services. Separately, Klarna transferred to Milkywire an additional \$0.5 million in 2025 for the purchase of carbon credits on Klarna's behalf; these amounts were paid in full to the third-party providers and Milkywire did not retain any margin on these transactions. No carbon credit purchases were made in the six months ended June 30, 2026.

Additionally, the Company made charitable contributions of \$2.3 million in 2025 to the WRLD Foundation, where Nina Siemiatkowski serves as a board member. No contributions were made in the six months ended June 30, 2026. These arrangements were approved by the Board of Directors, excluding the Chief Executive Officer. For further details, refer to Note 23 of the consolidated financial statements included in the Company's Annual Report on Form 20-F for the year ended December 31, 2025.

During the six months ended June 30, 2026, the Board of Directors approved the grant of 402,394 options to acquire ordinary shares in Klarna Group plc and the issuance of 319,416, gross of shares withheld to cover tax, of ordinary shares directly to members of the Company's management team. Additionally, the Board of Directors granted 2,795,264 Class C share options to Mr. Siemiatkowski, which were fully vested on the grant date. See Note 14 for additional details regarding these awards.

Note 16 Income taxes

The table below represents income tax (expense) benefit, effective tax rate as of the three and six months ended June 30, 2026, and 2025, and deferred tax assets and deferred tax liabilities as of June 30, 2026 and December 31, 2025:

	Three months ended		Six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Income tax (expense) benefit				
Current tax				
Tax expense for the period	\$ (16)	\$ (1)	\$ (28)	\$ (9)
Total	\$ (16)	\$ (1)	\$ (28)	\$ (9)
Deferred tax				
Deferred tax	\$ (2)	\$ (6)	\$ (4)	\$ (5)
Income tax expense	\$ (18)	\$ (7)	(32)	(14)
Profit (loss) before tax	\$ 27	\$ (46)	\$ 42	\$ (138)
Effective tax rate	66.7 %	15.2 %	76.2 %	10.1 %

Deferred taxes	June 30, 2026	December 31, 2025
Deferred tax asset	\$ 25	\$ 36
Deferred tax liability	(3)	(2)
Total deferred taxes	\$ 22	\$ 34

<i>Comprising:</i>		
Losses carried forward	\$ 59	\$ 71
Allowance for credit losses	13	12
Intangible assets	(54)	(78)
Other	4	30
Total deferred taxes	\$ 22	\$ 34

Deferred tax assets attributable to carryforward of unused tax losses or other deductible temporary differences are recognized only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilized.

The gross deferred tax assets and liabilities have been set off on the balance sheet to the extent the requirements for netting are met. The effective tax rate of 66.7% and 76.2%, respectively, arises from current tax charges recognized in profitable jurisdictions, at applicable local rates, while no deferred tax asset is recognized against losses in certain other jurisdictions.

The Group has applied the exception, mandated by an amendment to IAS 12, to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

There was no material impact of Pillar Two on Klarna Group as of June 30, 2026.

Note 17 Net profit (loss) per share

Basic loss per share is calculated by dividing the loss attributable to shareholders of Klarna Group plc by the weighted average number of ordinary shares outstanding during the period. Diluted profit (loss) per share is calculated similarly but includes the effect of potential ordinary shares using the treasury stock method, to the extent that the inclusion of these shares is dilutive. Potential ordinary shares consist of incremental shares issuable in connection with warrants and share options, and Klarna Group plc RSUs. The Group has also granted RSUs and certain warrants in subsidiaries which are exercisable or convertible in subsidiary company shares and are not considered potential ordinary shares in Klarna Group plc. However, such instruments, which are potential ordinary shares in subsidiaries, may affect net profit (loss) per share due to their impact on non-controlling interest for Klarna Group plc.

Due to the net loss attributable to shareholders of Klarna Group plc and the resulting anti-dilutive effect for the six months ended June 30, 2026 and the three and six months ended June 30, 2025, all potential ordinary shares are excluded from the diluted loss per share calculation, and diluted loss per share equals basic loss per share for those periods. For the three months ended June 30, 2026, potential ordinary shares are dilutive and are included in the diluted earnings per share calculation. Potential ordinary shares in subsidiaries have an insignificant impact on non-controlling interest for purposes of the diluted loss per share for the three and six months ended June 30, 2026 and June 30, 2025.

The computation of loss per share for the respective periods is as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Numerator:				
Net profit (loss) attributable to shareholders of Klarna Group plc	\$ 4	\$ (52)	(1)	(153)
Denominator:				
Weighted average number of ordinary shares - basic	378,689,760	368,052,591	378,365,549	366,732,817
Dilutive potential ordinary shares	200,155	—	—	—
Weighted average number of ordinary shares - diluted	378,889,915	368,052,591	378,365,549	366,732,817
Net profit (loss) per share attributable to shareholders of Klarna Group plc:				
Basic	\$ 0.01	\$ (0.14)	\$ 0.00	\$ (0.42)
Diluted	\$ 0.01	\$ (0.14)	\$ 0.00	\$ (0.42)

Note 18 Significant events after the end of the reporting period

The Group has evaluated all events that have occurred subsequent to June 30, 2026, through the date that the interim consolidated financial statements were approved by the Board of Directors.

On July 1 2026, after the reporting date, the Stockholm Patent and Market Court issued a decision against Google (Google LLC, Alphabet Inc. and Google Sweden AB) to pay the Group's subsidiary Klarna Technologies AB ("PriceRunner") approximately \$2.1 billion, in damages and accrued interest, in a competition-damages proceeding related to Google's abuse of its dominant position in displaying search and compare results.

The judgment was rendered at first instance and has been appealed by both parties to the Patent and Market Court of Appeal on July 22, 2026. Interest continues to accrue on the amounts awarded in the initial judgment. The claim has been financed by third parties under a litigation funding arrangement. If the litigation is ultimately successful, a share of the proceeds is payable in relation to this arrangement to litigation funders, ATE insurers, and further shares are payable, under the terms of the acquisition of PriceRunner, to its former shareholders. Any amount ultimately recovered would be reduced by these sharing arrangements and by applicable taxation. The Group's entitlement is contingent on the successful outcome of the litigation and, as at 30 June 2026, the criteria for recognition had not been met. Accordingly, no amount has been recognized in the consolidated financial statements in respect of the claim.

On July 16, 2026, Klarna completed a \$518 million significant risk transfer with an external investor under a three-year agreement. Under the transaction, a portion of the credit risk on a reference portfolio of consumer receivables was transferred to the investor, reducing the regulatory capital requirements on those assets. The receivables remain recognized on Klarna's balance sheet. As the transaction completed after June 30, 2026, it had no impact on these financial statements.

In July 2026, subsequent to the reporting date, Klarna commenced a consumer device financing program in the United States with Apple, under which consumers may lease eligible consumer electronics devices over terms ranging from 12 to 36 months. Klarna is responsible for credit decisioning, financing and payment servicing and earns a fee from the retail partner. The program had no effect on the interim condensed consolidated financial statements for the six months then ended.

No other significant events have occurred during the subsequent period.

Amounts in USD millions	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Transaction and service revenue	486	518	532	600	519	604	634	743	671	707
Gain on sale of consumer receivables	—	—	—	—	—	—	—	73	57	69
Interest income	157	164	174	181	182	219	269	267	284	266
Total revenue	643	682	706	781	701	823	903	1,082	1,012	1,042
Processing and servicing costs	(136)	(148)	(151)	(161)	(164)	(187)	(208)	(250)	(266)	(233)
Provision for credit losses	(117)	(106)	(116)	(156)	(136)	(174)	(235)	(250)	(186)	(192)
Funding costs	(113)	(120)	(123)	(147)	(130)	(147)	(180)	(210)	(171)	(171)
Technology and product development	(99)	(103)	(107)	(135)	(115)	(120)	(123)	(128)	(129)	(130)
Sales and marketing	(79)	(78)	(70)	(101)	(91)	(93)	(102)	(128)	(105)	(128)
Customer service and operations	(57)	(48)	(44)	(54)	(51)	(51)	(53)	(52)	(55)	(58)
General and administrative	(51)	(64)	(65)	(101)	(94)	(65)	(77)	(70)	(81)	(91)
Depreciation, amortization and impairments	(19)	(19)	(17)	(27)	(10)	(32)	(8)	(4)	(2)	(12)
Operating expenses	(671)	(686)	(693)	(882)	(791)	(869)	(986)	(1,093)	(996)	(1,015)
Operating Profit (loss)	(28)	(5)	13	(101)	(90)	(46)	(83)	(11)	17	27
Other income (expense)	3	2	2	147	(2)	0	(4)	(5)	(2)	0
Profit (Loss) before taxes	(25)	(3)	15	46	(92)	(46)	(87)	(16)	15	27
Tax (expense) benefit	(5)	1	(2)	(6)	(7)	(7)	(8)	(10)	(14)	(18)
Net Profit (loss)	(30)	(2)	12	40	(99)	(53)	(95)	(26)	1	9

Rounding effects may be present in these tables

Amounts in USD millions	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Transaction and service revenue	486	518	532	600	519	604	634	743	671	707
Gain on sale of consumer receivables	—	—	—	—	—	—	—	73	57	69
Interest income	157	164	174	181	182	219	269	267	284	266
Total revenue	643	682	706	781	701	823	903	1,082	1,012	1,042
Processing and servicing costs	(136)	(148)	(151)	(161)	(164)	(187)	(208)	(250)	(266)	(233)
Provision for credit losses	(117)	(106)	(116)	(156)	(136)	(174)	(235)	(250)	(186)	(192)
Funding costs	(113)	(120)	(123)	(147)	(130)	(147)	(180)	(210)	(171)	(171)
Transaction costs	(366)	(374)	(390)	(464)	(430)	(508)	(623)	(710)	(623)	(596)
Transaction margin dollars	277	308	316	317	271	315	280	372	389	446
Technology and product development	(78)	(81)	(78)	(71)	(83)	(93)	(97)	(102)	(110)	(111)
Sales and marketing	(77)	(77)	(65)	(91)	(80)	(83)	(85)	(106)	(87)	(111)
Customer service and operations	(57)	(47)	(42)	(45)	(51)	(48)	(50)	(51)	(54)	(57)
General and administrative	(51)	(58)	(52)	(67)	(54)	(62)	(63)	(66)	(70)	(76)
Adjusted operating expenses	(263)	(263)	(237)	(274)	(268)	(286)	(295)	(325)	(321)	(355)
Adjusted operating income (loss)	14	45	79	43	3	29	(15)	47	68	91
- Depreciation, amortization and impairments	(36)	(38)	(34)	(77)	(26)	(27)	(25)	(28)	(24)	(23)
- Share based payments	(5)	(9)	(20)	(57)	(59)	(26)	(39)	(33)	(29)	(38)
- Restructuring and other	(2)	(3)	(12)	(8)	(8)	(21)	(5)	2	2	(4)
Operating profit (loss)	(28)	(5)	13	(101)	(90)	(46)	(83)	(11)	17	27
Other income (expense)	3	2	2	147	(2)	0	(4)	(5)	(2)	0
Profit (Loss) before income tax	(25)	(3)	15	46	(92)	(46)	(87)	(16)	15	27
Income tax	(5)	1	(2)	(6)	(7)	(7)	(8)	(10)	(14)	(18)
Net income (loss)	(30)	(2)	12	40	(99)	(53)	(95)	(26)	1	9
Like-for-like growth rates					Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
GMV					9%	15%	19%	23%	22%	15%
Transaction and service revenue					9%	12%	15%	18%	21%	15%
Gain on sale of consumer receivables										
Interest income					18%	28%	49%	39%	46%	19%
Total revenue					11%	16%	23%	32%	36%	25%
Processing and servicing					22%	23%	33%	49%	54%	23%
Provision for credit losses					19%	60%	98%	55%	29%	9%
Funding costs					18%	17%	40%	35%	23%	14%
Transaction costs					20%	32%	54%	47%	37%	16%
Transaction margin dollars					0%	(3%)	(16%)	10%	34%	39%
Technology and product development					7%	8%	19%	33%	26%	18%
Sales and marketing					6%	4%	26%	10%	1%	31%
Customer service and operations					(10%)	(4%)	11%	4%	(5%)	15%
General and administrative					9%	0%	15%	(6%)	23%	21%
Adjusted operating expenses					3%	3%	19%	11%	12%	22%

Rounding effects may be present in these tables

US - United States Amounts in USD millions	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
GMV (\$m) - US	4,154	4,521	4,642	5,998	5,113	6,202	6,643	8,553	7,115	7,887
Transaction and service revenue	138	150	157	203	177	194	200	247	224	238
Gain on sale of consumer receivables	—	—	—	—	—	—	—	60	57	41
Interest income	42	50	53	57	61	81	117	106	117	97
Total revenue	179	200	210	261	238	275	317	413	399	376
Processing and servicing costs	(61)	(65)	(68)	(75)	(73)	(88)	(94)	(119)	(139)	(121)
Provision for credit losses	(47)	(48)	(53)	(92)	(58)	(102)	(135)	(140)	(84)	(105)
Funding costs	(29)	(37)	(37)	(44)	(40)	(47)	(71)	(90)	(70)	(63)
Transaction costs	(137)	(150)	(158)	(210)	(171)	(236)	(300)	(349)	(293)	(288)
Transaction margin dollars (TMD)	42	50	52	51	67	39	17	64	106	88
TMD % of Revenue	24%	25%	25%	19%	28%	14%	6%	15%	27%	23%
Global (Ex-US) - all other markets Amounts in USD millions	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
GMV (\$m) - Global (Ex-US)	19,674	21,343	21,530	23,384	20,210	24,980	26,016	30,145	26,576	28,762
Transaction and service revenue	348	368	375	397	342	410	433	496	446	469
Gain on sale of consumer receivables	—	—	—	—	—	—	—	13	—	28
Interest income	115	114	120	124	121	138	152	161	167	169
Total revenue	463	482	496	521	463	548	586	669	613	666
Processing and servicing costs	(75)	(83)	(84)	(86)	(90)	(100)	(114)	(131)	(127)	(112)
Provision for credit losses	(70)	(59)	(63)	(65)	(78)	(72)	(100)	(109)	(102)	(87)
Funding costs	(84)	(83)	(85)	(104)	(90)	(101)	(109)	(120)	(102)	(108)
Transaction costs	(229)	(224)	(232)	(255)	(259)	(272)	(323)	(361)	(331)	(308)
Transaction margin dollars (TMD)	234	258	264	266	203	276	263	308	283	358
TMD % of Revenue	51%	53%	53%	51%	44%	50%	45%	46%	46%	54%

Rounding effects may be present in these tables

Allowance for credit losses walk

	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Opening balance	332	354	401	492	492	449
Provision for credit losses	116	174	235	250	186	192
Realized losses	(123)	(141)	(144)	(193)	(169)	(166)
Asset sale activity	—	—	—	(37)	(35)	(39)
FX / other	9	14	—	—	(5)	—
Closing balance	354	401	492	492	449	413

Delinquencies

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26
Financing 60+ DPD									
US	2.0%	3.2%	3.4%	3.0%	2.8%	3.7%	3.6%	3.3%	not mature yet
Global (Ex-US)	1.6%	1.5%	1.4%	1.6%	1.6%	1.8%	1.7%	1.7%	not mature yet
Financing 30+ DPD									
US	2.6%	2.9%	3.2%	2.9%	2.6%	3.5%	3.4%	3.2%	3.0%
Global (Ex-US)	1.8%	1.6%	1.3%	1.7%	1.7%	1.9%	1.8%	1.8%	1.6%
Pay Later 30+ DPD									
US	1.1%	1.3%	1.3%	1.4%	1.2%	1.7%	1.6%	1.6%	1.3%
Global (Ex-US)	1.9%	1.7%	1.7%	1.6%	1.5%	1.6%	1.7%	1.6%	1.4%
Pay Later 60+ DPD									
US	1.0%	1.2%	1.2%	1.2%	1.1%	1.5%	1.4%	1.4%	1.1%
Global (Ex-US)	0.9%	0.7%	0.8%	0.7%	0.8%	0.9%	1.0%	0.9%	0.8%

Cumulative net charge-offs

US Cumulative Net Charge-offs Financing - Months since origination	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Q1'24	0.2%	1.0%	1.6%	2.2%	2.7%	3.0%	3.2%	3.3%	3.4%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Q2'24	0.2%	1.1%	1.8%	2.4%	2.9%	3.2%	3.4%	3.5%	3.5%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Q3'24	0.2%	1.3%	2.0%	2.6%	3.1%	3.4%	3.6%	3.6%	3.7%	3.8%	3.8%	3.9%	3.9%	3.9%	3.9%
Q4'24	0.2%	1.2%	2.0%	2.5%	2.9%	3.2%	3.4%	3.5%	3.7%	3.8%	3.9%	3.9%	4.0%		
Q1'25	0.2%	1.1%	1.7%	2.2%	2.7%	3.0%	3.2%	3.4%	3.5%	3.6%					
Q2'25	0.4%	1.7%	2.6%	3.2%	3.6%	3.9%	4.1%								
Q3'25	0.3%	1.5%	2.3%	2.8%											
Q4'25	0.3%														

Global (Ex-US) Cumulative Net Charge-offs Financing - Months since origination	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Q1'24	0.1%	0.3%	0.3%	0.7%	0.9%	1.1%	1.2%	1.2%	1.3%	1.3%	1.4%	1.4%	1.4%	1.5%	1.5%
Q2'24	0.1%	0.3%	0.3%	0.6%	0.8%	0.9%	1.0%	1.0%	1.1%	1.2%	1.2%	1.2%	1.2%	1.3%	1.3%
Q3'24	0.1%	0.3%	0.4%	0.5%	0.7%	0.8%	0.9%	1.0%	1.1%	1.1%	1.2%	1.2%	1.2%	1.2%	1.3%
Q4'24	0.1%	0.4%	0.6%	0.7%	0.9%	1.0%	1.1%	1.2%	1.2%	1.3%	1.3%	1.3%	1.4%		
Q1'25	0.1%	0.3%	0.3%	0.7%	0.8%	1.0%	1.2%	1.2%	1.3%	1.3%					
Q2'25	0.1%	0.3%	0.6%	0.8%	1.0%	1.1%	1.2%								
Q3'25	0.1%	0.3%	0.5%	0.7%											
Q4'25	0.1%														

US Cumulative Net Charge-offs Pay Later - Months since origination	3	4	5	6	7	8
Q1'24	0.0%	0.3%	0.7%	0.8%	0.8%	0.8%
Q2'24	0.0%	0.3%	0.9%	1.0%	0.9%	0.9%
Q3'24	0.0%	0.3%	0.9%	1.0%	0.9%	0.9%
Q4'24	0.0%	0.3%	0.9%	1.0%	1.0%	1.0%
Q1'25	0.1%	0.3%	0.9%	0.9%	0.9%	0.9%
Q2'25	0.1%	0.5%	1.2%	1.3%	1.3%	1.2%
Q3'25	0.1%	0.4%	1.1%	1.2%	1.2%	1.1%
Q4'25	0.1%	0.3%	1.1%	1.1%		

Global (Ex-US) Cumulative Net Charge-offs Pay Later - Months since origination	3	4	5	6	7	8
Q1'24	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%
Q2'24	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%
Q3'24	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%
Q4'24	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%
Q1'25	0.1%	0.1%	0.1%	0.1%	0.2%	0.3%
Q2'25	0.0%	0.0%	0.0%	0.1%	0.2%	0.3%
Q3'25	0.0%	0.0%	0.0%	0.1%	0.2%	0.3%
Q4'25	0.0%	0.0%	0.0%	0.1%		

Amounts in USD millions	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Cash and cash equivalents	3,243	4,105	5,504	6,795	3,803	2,806	2,672
Debt securities	454	1,188	1,381	1,657	1,518	2,132	2,593
Consumer receivables	8,141	8,124	9,950	10,095	10,459	9,166	8,831
Consumer receivables at fair value through OCI	—	—	—	—	386	542	718
Consumer receivables at fair value through profit and loss*	2	112	9	111	400	124	204
Other financial assets at amortized cost	—	—	—	—	—	776	526
Settlement, trade and other receivables	493	501	699	553	580	855	544
Property and equipment	85	87	64	54	60	62	34
Goodwill	613	643	680	681	685	671	664
Intangible assets	376	397	402	392	383	358	345
Deferred tax assets	33	34	28	36	36	26	25
Other assets*	364	335	472	408	487	470	610
Total Assets	13,804	15,526	19,189	20,782	18,797	17,988	17,766
Accounts payable and accrued expenses	572	524	547	562	655	545	546
Consumer deposits	9,510	10,843	13,970	13,972	13,003	12,301	11,673
Payables to merchants	696	987	1,168	753	736	855	934
Notes payable and other borrowings	513	534	727	2,623	1,359	1,415	1,687
Deferred tax liabilities	1	1	1	3	2	3	3
Other liabilities	255	294	266	249	358	235	256
Total Liabilities	11,547	13,183	16,679	18,162	16,113	15,354	15,100
Share capital	—	—	—	4,199	—	—	—
Additional paid in capital	4,646	4,654	4,805	892	427	450	458
Other equity instruments	—	—	—	—	—	—	—
Reserves	(479)	(282)	(184)	(170)	(90)	(165)	(213)
Retained Earnings (Accumulated deficit)	(2,081)	(2,202)	(2,283)	(2,472)	2,170	2,173	2,196
Total equity excluding non-controlling interests	2,086	2,170	2,338	2,449	2,507	2,458	2,441
Non-controlling interests	171	173	172	171	177	176	225
Total equity	2,257	2,343	2,510	2,620	2,684	2,634	2,666
Total equity and liabilities	13,804	15,526	19,189	20,782	18,797	17,988	17,766

*Note: Prior to Q4'25, Consumer receivables at fair value through profit and loss was presented in Other assets. They are broken out here for convenience

Rounding effects may be present in these tables

Amounts in USD millions	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Interest costs on funding	109	124	138	132	121	125
Fair value adjustment on loans sold and held for sale	21	23	42	78	50	46
Funding costs	130	147	180	210	171	171

GMV Amounts in USD millions	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Group	23,828	25,864	26,172	29,382	25,323	31,182	32,659	38,698	33,691	36,648
Charge card equivalent/ Pay Later	17,634	19,669	19,802	23,530	20,226	24,986	25,803	30,467	26,089	28,347
Point of sale Installments / Fair Financing	1,110	1,240	1,359	1,696	1,721	2,577	3,247	4,500	4,103	4,691
Everyday spending / Pay in Full	5,084	4,955	5,011	4,156	3,376	3,619	3,609	3,731	3,499	3,611
US	4,154	4,521	4,642	5,998	5,113	6,202	6,643	8,553	7,115	7,887
Charge card equivalent/ Pay Later	3,643	3,900	4,007	5,127	4,217	4,643	4,512	5,412	4,265	4,543
Point of sale Installments / Fair Financing	491	590	598	821	850	1,498	2,056	3,026	2,724	3,216
Everyday spending / Pay in Full	20	31	37	50	46	61	75	115	126	128
Global (Ex-US)	19,674	21,343	21,530	23,384	20,210	24,980	26,016	30,145	26,576	28,762
Charge card equivalent/ Pay Later	13,991	15,769	15,795	18,403	16,009	20,343	21,291	25,055	21,824	23,804
Point of sale Installments / Fair Financing	619	650	761	875	871	1,079	1,191	1,474	1,379	1,475
Everyday spending / Pay in Full	5,064	4,924	4,974	4,106	3,330	3,558	3,534	3,616	3,373	3,483
KPI metrics	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Active consumers (m)	83	84	87	92	98	111	114	118	119	120
ARPAC (\$)	29.3	30.6	31.3	30.5	29.2	27.2	28.1	29.8	32.1	33.7
Merchant partners (k)	568	588	615	681	723	786	850	966	1,075	1,208

