

## Klarna announces \$650M funding round to further accelerate global growth

New York, United States – September 15 2020. Klarna, the leading global payments and shopping service, is pleased to announce it has raised \$650 million in an equity funding round, at a post money valuation of \$10.65 billion, which ranks Klarna as the highest-valued private fintech in Europe and now the 4th highest worldwide.

The funding round is led by Silver Lake, the global leader in technology investing, with more than \$60 billion in combined assets under management, alongside GIC – Singapore's sovereign wealth fund – as well as funds and accounts managed by BlackRock and HMI Capital. Concurrently, Merian Chrysalis, TCV, Northzone and Bonnier have acquired shares from existing shareholders. They will join current investors such as Sequoia Capital, Dragoneer, Bestseller Group, Permira, Commonwealth Bank of Australia and Ant Group in supporting Klarna's future growth. The funding will help Klarna further invest in its unique shopping offering, continue to grow its global presence, and accelerate its strong momentum across all markets, especially in the US where the company is growing particularly rapidly and now has more than 9 million consumers.

The uniqueness of Klarna's offering – providing a healthier, simpler and smarter alternative to credit cards and a broad range of services to enable a superior shopping journey – continues to drive rapid consumer adoption and loyalty with more than 90 million consumers worldwide. This is at a time when consumers are actively turning away from revolving credit lines and inferior retail experiences towards services that better meet their needs.

Klarna's direct to consumer app, which enables users to shop at any store or brand online with installment payment options, is strongly resonating as consumers have become more focused on convenience, value and control. The app has more than 12 million monthly active users worldwide, with 55,000 daily downloads, significantly outpacing its nearest competitor with almost 3x as many downloads over the last year. In the app, consumers can also now wishlist their favourite items, access unique discounts, set up price-drop notifications and track spending and deliveries intelligently. The app also features the world's first buy now, pay later shopper loyalty program, Vibe, which rewards consumers who pay on time, to encourage responsible spending. Vibe is currently available to consumers in the US and will soon be launched in additional markets.

In the context of the current accelerated switch to online retail and evolving consumer preferences, Klarna has seen a surge in demand, adding more than 35,000 new retailers during the first half of 2020 to its network of more than 200,000 retail partners including Sephora, Groupon, SHEIN, Charlotte Tilbury, Vans, The North Face, Ted Baker, Timberland and Ralph Lauren. Klarna is the pay later partner of choice for the top 100 highest grossing merchants in the US and will soon go live with more ahead of the busiest shopping season. A recent [McKinsey & Company](#) consumer survey found that more than 75% of consumers have tried new brands, places to shop or methods of shopping during COVID-19 and that 82% of those who have tried a new digital shopping method intend to continue using it even after the crisis ends. This is reflected in strong business results for Klarna: volume and revenue for the first half of 2020 grew 44% and 36% year-on-year to more than \$22 billion and \$466 million respectively.

**Sebastian Siemiatkowski, co-founder and CEO of Klarna:** *“We are at a true inflection point in both retail and finance. The shift to online retail is now truly supercharged and there is a very tangible change in the behaviour of consumers who are now actively seeking services which offer convenience, flexibility and control in how they pay and an overall superior shopping experience. Klarna's unique proposition, consumer preference and global retailer network will prove an excellent*

platform for further growth. The Klarna team is honoured to welcome such world class investors to support our mission to become the world's favourite way to shop."

**Egon Durban, Co -CEO and Managing Partner, and Jonathan Durham, Managing Director, of Silver Lake:** "Klarna is one of the most disruptive and promising fintech companies in the world, redefining the ecommerce experience for millions of consumers and global retailers, just as ecommerce growth is accelerating worldwide and rapidly shifting to mobile. Klarna's retail partners benefit from incremental traffic and dramatically improved customer conversion. Consumers love Klarna for its differentiated app-based shopping experience and for their flexible and transparent payment options. We are excited to invest in the company and partner with Sebastian and his talented team at this dynamic time to help accelerate Klarna's remarkable growth and success worldwide."

**Mick Hellman, Managing Partner, and Sean Barrett, Partner, of HMI Capital:** "Klarna's industry-leading global payments platform has revolutionized ecommerce, providing its more than 90 million delighted consumers with unprecedented ease and flexibility, and attracts more than 200,000 retail partners with increased revenue. Klarna's rapid growth at scale is evidence of how effectively its disruptive offering is meeting evolving consumer needs during these uncertain times. We are thrilled to continue our partnership with Sebastian and his team and look forward to supporting Klarna in the years ahead."

**John Doran, General Partner, TCV:** "After emerging as the clear category leader in Europe, Klarna is now seeing incredible momentum in the US market with more than 9 million consumers in the US alone and having signed a large number of blue-chip retailers to its platform. Klarna's payments solutions offer a very compelling value proposition to both merchants and consumers as shown by its remarkable customer stickiness and impressive growth. We have been tracking Klarna's continued execution for some time and are delighted to be able to partner with Sebastian and the entire Klarna team to help support their journey as they continue to serve a very large and rapidly growing global ecommerce market."

**Richard Watts, co -manager, Merian Chrysalis Investment Company:** "Klarna has been a driving force in revolutionizing the online shopping and payments market. The company has seen a significant increase in usage during the corona virus pandemic and the US in particular has seen a step change as consumer numbers have grown more than six-fold year on year. Klarna's expansion continues to gain pace and we're delighted to have the opportunity to increase our stake in the business, providing further support as it enters the next stage of growth."

**Hans Otterling, Partner, Northzone:** "With more than 200,000 retail partners and millions of monthly active users globally, Klarna leadership has proven that they are absolutely world-class in developing a global payment platform that reshaped the future of e-commerce and shopping. Their "buy now, pay later" offering resonates with current customer needs and provides the best offering in a shopping experience. We're excited to continue to be a part of Klarna's development into a global payment market leader across the globe. Sebastian and his team have a deep understanding of the market, and we are impressed by their clarity of vision and speed of execution since we've invested in 2015."

**Erik Hae gerstrand, CEO of Bonnier Group:** "We have followed Klarna closely over several years as a satisfied customer in successful partnerships, during which we have gained a thorough understanding of the true potential of Klarna's unique customer offering. We are very enthusiastic over the opportunity to invest in Klarna and to support Sebastian and his team to grow the business further."

Numis acted as exclusive financial advisor and placement agent to Klarna.

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About Klarna

We make shopping smooth. With Klarna, consumers can buy now and pay later, so they can get what they need today. Klarna's offering to consumers and retailers includes payments, social shopping and personal finances. Over 200,000 retail partners, including H&M, IKEA, Expedia Group, Samsung, ASOS, Peloton, Abercrombie & Fitch, Nike and AliExpress, have enabled Klarna's innovative shopping experience online and in-store. Klarna is ranked number five on the 2020 CNBC Disruptor 50 list, is the most highly valued private fintech in Europe and the fourth highest globally, with a valuation of \$10.65 billion. Klarna was founded in 2005, has over 3,500 employees and is active in 17 countries. Klarna has been backed by Sequoia Capital since 2010 and more recently, Dragoneer, Bestseller Group, Permira, Visa, Atomico, Ant Group and Silver Lake, HMI Capital, TCV amongst others. For more information, visit [klarna.com](https://klarna.com).

### **About Silver Lake**

Silver Lake is a global technology investment firm, with more than \$60 billion in combined assets under management and committed capital and a team of approximately 100 investment and operating professionals located in Menlo Park, New York, London, Hong Kong, Cupertino and San Francisco. Silver Lake's portfolio of investments collectively generates more than \$180 billion of revenue annually and employs 295,000 people globally. For more information about Silver Lake and its portfolio, please visit [silverlake.com](https://silverlake.com).

### **About GIC**

GIC is a leading global investment firm established in 1981 to manage Singapore's foreign reserves. As a disciplined long-term value investor, GIC is uniquely positioned for investments across a wide range of asset classes, including equities, fixed income, private equity, real estate and infrastructure. In infrastructure, GIC's primary strategy is to invest directly in operating assets with a high degree of cash flow visibility and which provide a hedge against inflation. GIC has investments in over 40 countries. Headquartered in Singapore, GIC employs over 1,700 people across 10 offices in key financial cities worldwide. For more information on GIC, please visit [www.gic.com.sg](https://www.gic.com.sg) or [LinkedIn](https://www.linkedin.com/company/gic).

### **About HMI Capital**

HMI Capital is an investment management firm investing for the long-term in the highest-quality growth businesses globally. Based in San Francisco and backed by long-duration capital from some of the world's leading endowments, foundations and family offices, HMI has over \$3 billion under management. HMI's team holds deep domain expertise driven by 20+ years of direct experience investing in the software, internet & media and fintech/financial services sectors. The firm has a global mandate to invest in best-in-class franchises (both public and private) across the capital structure. Holding a concentrated portfolio allows HMI to focus on and provide more effective partnerships with its portfolio companies and their management teams.

### **About TCV**

Founded in 1995, TCV provides capital to growth-stage private and public companies in the technology industry. Since its inception, TCV has invested over \$13 billion in leading technology companies, including more than \$2 billion in fintech, and has helped guide CEOs through more than 120 IPOs and strategic acquisitions. TCV is headquartered in Menlo Park, California, with offices in New York and London. For more information about TCV, including a complete list of TCV investments, visit <https://www.tcv.com/>

### **About Merian Chrysalis Investment Company Limited**

Merian Chrysalis Investment Company Limited (“Merian Chrysalis”) is a Guernsey -domiciled investment company traded on the London Stock Exchange. It aims to generate long-term capital growth primarily through investing in a portfolio of fast-growing and highly disruptive unquoted companies. The Company’s investment adviser is Merian Global Investors (UK) Limited, a leading public investor in the UK, ultimately owned by Jupiter Fund Management plc. The investment adviser has proven experience in the crossover investing space and its funds have made investments in, amongst others, TransferWise, The Hut Group, Starling Bank, Graphcore, and Klarna.

### **About Northzone**

Northzone ( [northzone.com](http://northzone.com) ) is an early -stage venture capital fund built on experience spanning multiple economic and disruptive technology cycles and has over \$1.5 billion under management. Founded in 1996, Northzone has to date raised nine funds and invested in more than 150 companies, including category -defining businesses like Spotify, iZettle, Avito, Kahoot!, Klarna and Trustpilot among others.

### **About Bonnier**

Bonnier is a family owned company with a history of more than 200 years. With its base in Stockholm, Bonnier owns and operates a variety of businesses such as book publishing, media, e -commerce and real estate, as well as activates in venture capital investments. As in the case of Klarna, Bonnier also makes selected growth equity investments in businesses with continued strong development potential. For more information about Bonnier, please visit [bonnier.com](http://bonnier.com).

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