



H&M and Klarna partner to elevate the modern shopping experience for consumers

New partnership will enable frictionless checkout across all channels

Stockholm, Sweden, October 8, 2018 - Today, H&M and Klarna announce that they have entered into a global partnership. Together, H&M and Klarna will further integrate H&M's digital and physical stores to give customers a seamless, personalised and engaging shopping experience no matter where, when and how they shop. This partnership will power the H&M Club¹ payment programme, provide an enhanced omni-channel customer payment offering, a streamlined post-purchase service in the H&M app and many other services. This will deliver an unrivalled experience that will delight H&M customers across all touchpoints.

Klarna's single technological platform will enable an outstanding end-to-end customer journey across all H&M channels. This will include frictionless instore, mobile and online payments, simplified deliveries and returns and the flexibility to decide how and when to pay including the popular 'try before you buy' Pay later service. All of these will be integrated into the next generation of the H&M app and H&M Club. The result will be an inspiring, relevant and convenient experience for millions of customers across 14 H&M markets, with the UK and Sweden in the first phase, expected to go live in 2019.

Furthermore, H&M group will make an investment in Klarna. The equity investment demonstrates a shared commitment and vision to the continual development of smarter retail where optimisation is constant in order to meet customers changing expectations and preferences.

Karl-Johan Persson, CEO H&M group says: "We are impressed with what Klarna has achieved to date and now we will work together to elevate the modern shopping experience. This strategic partnership between H&M group and Klarna is based on a joint relentless focus on creating great customer experiences."

Sebastian Siemiatkowski, CEO and co-founder of Klarna, says: "Retail is changing, and the future of fashion retail is high tech powering high touch experiences for customers. Regardless of how and when customers want to shop, we need to be there for them. Customers will no longer be forgiving of unnecessary complexity or when their retail experience does not leverage the insight available to make their engagement smart, personal and easy. This partnership is rooted in a shared obsession about just how good that shopping experience should be. Together we have

¹ H&M Club is an all-digital loyalty program. Customers get points on all shopping, instore and online, as well as special offers and rewards, exclusive event invitations and much more.

worked hard on developing a unique solution for instore and online that will delight customers, drive economic value and build loyalty.”

Daniel Claesson, Head of Business Development H&M group, says: “We at H&M are very excited about this partnership. We want to make it possible for customers to move freely between the various channels and choose how they want to shop and experience our offering online and instore. This partnership will bring tailor-made payment solutions to our customers and accommodate evolving shopping patterns and needs. This includes the possibility to “try before you buy” which is very relevant to online fashion retail today and to pay with their mobile phone directly through the H&M app both instore and online.”

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About Klarna

Klarna is one of Europe’s leading payments providers and a newly-licensed bank, which wants to revolutionise the payment experience for shoppers and merchants alike. Founded in Stockholm, Sweden, in 2005, we give online consumers the option to pay now, pay later or over time – offering a simple, safe and smooth checkout experience. Klarna now works with 90,000 merchants, including ASOS, Adidas, Arcadia Group and IKEA. Klarna has 2,000 employees and is active in 14 countries. Klarna is backed by investors such as Sequoia Capital, Bestseller Group, Atomico, VISA and Permira. For further information, visit www.klarna.com

About H&M

H & M Hennes & Mauritz AB (publ) was founded in Sweden in 1947 and is quoted on Nasdaq Stockholm. H&M’s business idea is to offer fashion and quality at the best price in a sustainable way. In addition to H&M, the group includes the brands COS, Monki, Weekday, Cheap Monday, & Other Stories, H&M HOME and ARKET as well as Afound. The H&M group has 47 online markets and more than 4,800 stores in 70 markets including franchise markets. In 2017, sales including VAT were SEK 232 billion. The number of employees amounts to more than 171,000. For further information, visit about.hm.com.