

Klarna expands with German acquisition

Written by Johan Nylander

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Stockholm-based online payments provider Klarna is accelerating its European rollout with the acquisition of Germany's market leader Sofort AG, instantly increasing its market share in greater Europe's \$100 billion e-commerce market to 10 percent.

"Together we have an incredible opportunity to provide the most trusted payment solution to our merchants and make it simpler and safer for consumers to shop online," said Klarna's CEO and co-founder, Sebastian Siemiatkowski.

The two companies will together form Klarna Group and become Europe's leading alternative online payments provider. Their network will cover 43,000 merchants across 14 countries in the region. Between them, they'll have 25 million users and partnerships with more than half of Germany's online merchants.

Klarna also recently announced it had raised another €90 million from its investors to finance the acquisition. The fundraising was led by Klarna's founders, with participation from existing investors like Sequoia Capital, General Atlantic and Atomico.

Siemiatkowski said the additional funding is a vote of confidence for the company's long-term vision to become the world's favourite way to buy. The Sofort deal made headlines in business and technology publications across the globe.

"[Klarna] has become one of the success stories of European technology and particularly Stockholm start-ups, valued at close to \$1bn in its last fundraising two years ago," the Financial Times wrote.

The New York Times said "Sebastian Siemiatkowski has come a long way in almost a decade", and that the company is just the latest of a number of Swedish technology firms with international ambitions.

Klarna offers safe and easy-to-use payment solutions to e-stores in Europe and was founded in

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2005 with the ambition to make e-commerce safer and simpler.

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