

# Kahoot!

**Make learning awesome**

Q3 presentation  
October 30<sup>th</sup> 2019



**Our vision is to build  
the leading learning  
platform in the world**

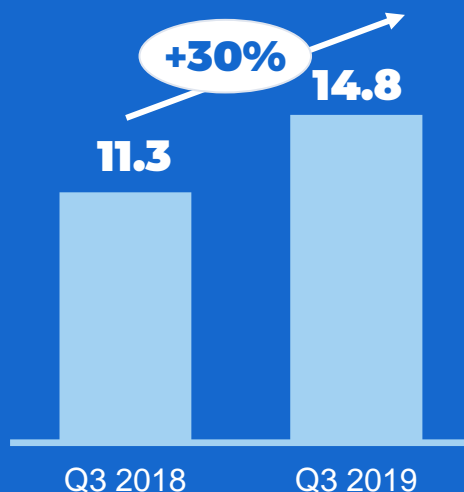
# Highlights Q3 YTD 2019

- **Strong usage growth on the Kahoot platform** with 30% growth in active accounts, 30% growth in hosted games and 18% growth in participating players last twelve months
- **Good growth in paid seats**, reaching 120K in Q3 2019, increased with 80K YTD
- **YTD Q3 Invoiced revenue growth of more than 300%** to \$7.7m (operating revenues \$4.8m)
- **Improved EBITDA** of -\$5.8m YTD Q3 2019, compared to -\$7.7m YTD Q3 2018
- **Improved cash flow from operations** of -\$0.6m in Q3 2019, compared to -\$3.4m in H1 2019
- **Solid financial cash position** with \$13m by end of Q3 and \$25m in new equity from a private placement in October 2019

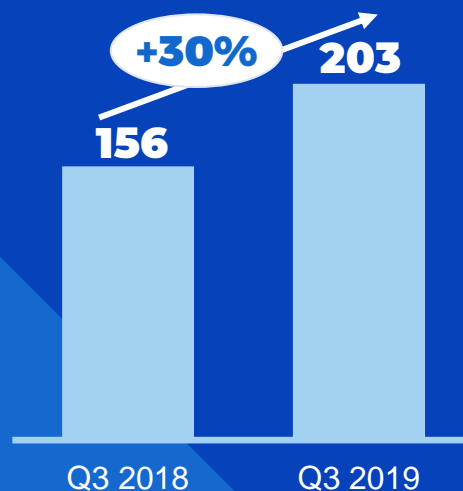
# Continued growth in accounts and usage

Last twelve months (in millions)

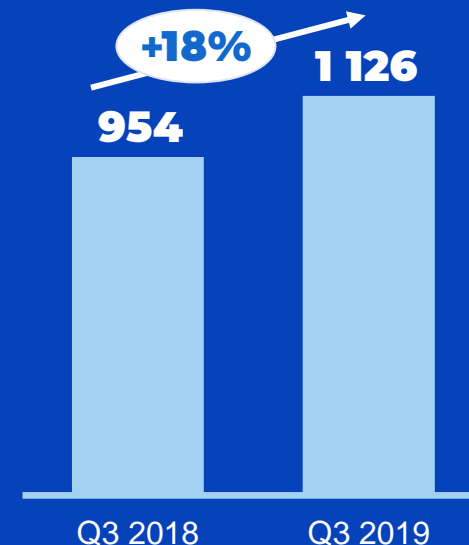
## Active accounts



## Hosted games



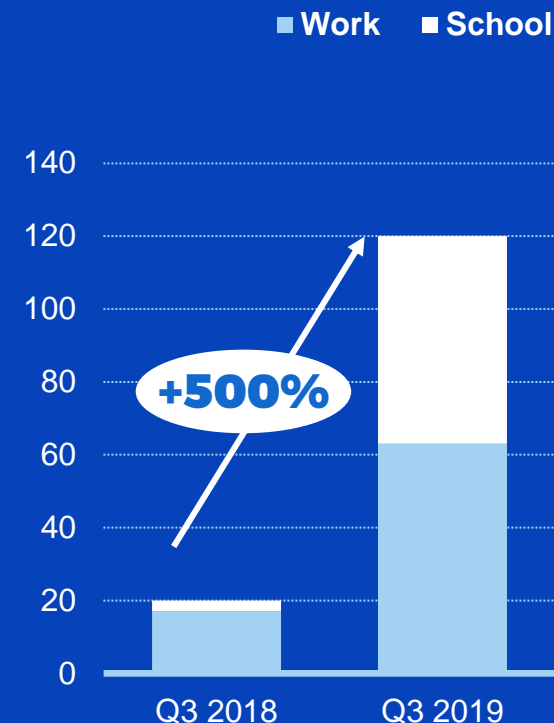
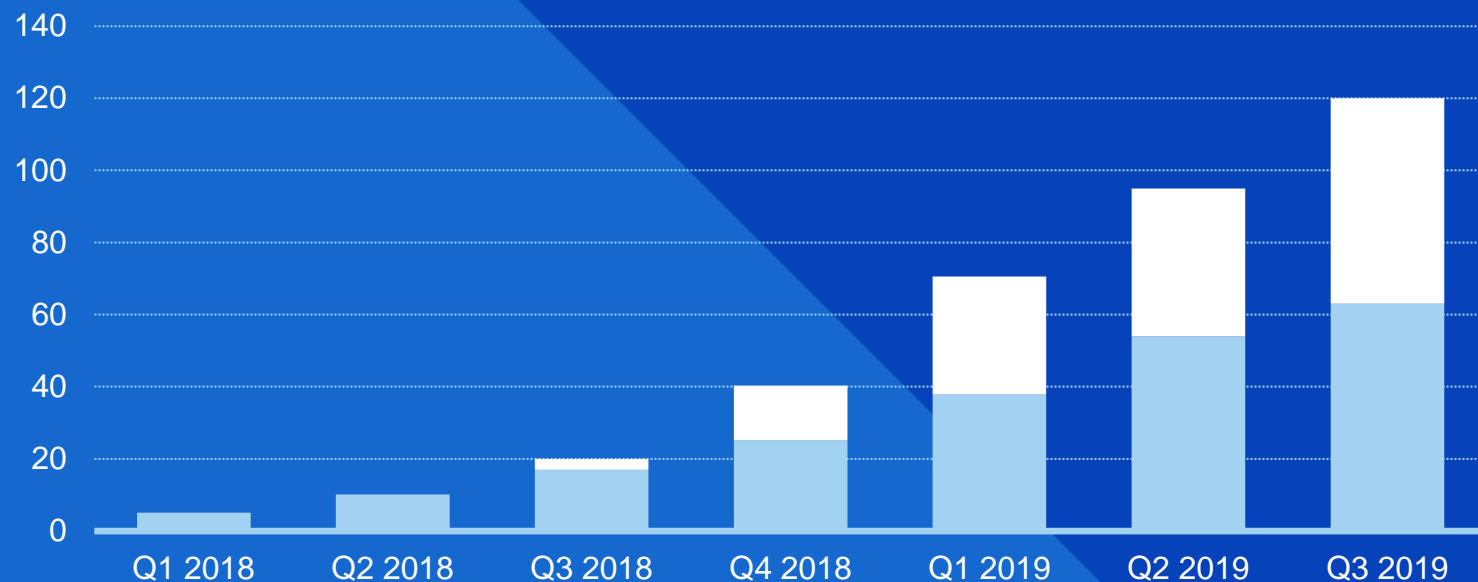
## Participants



The user growth on the platform last twelve months continued, reaching 1.1bn participating players (18% YoY growth), over 200m games played (30% growth YoY) hosted by 14.8m active accounts (30% YoY growth)

# Continued growth in paid seats

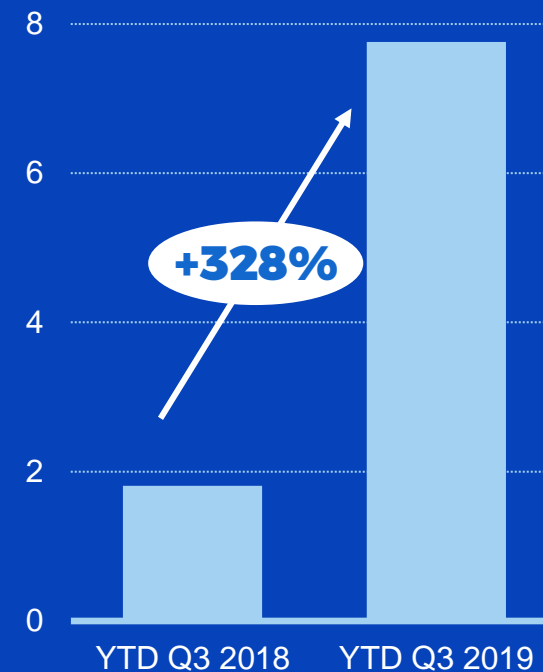
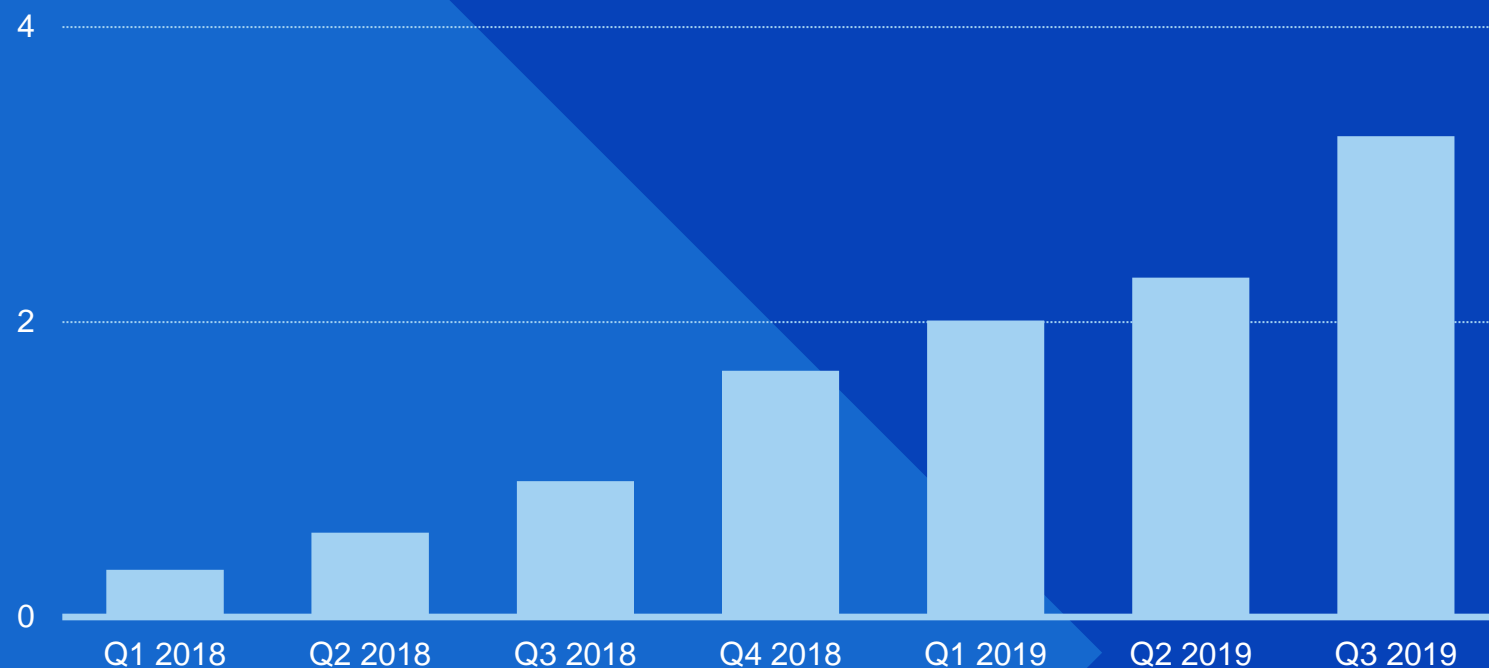
Paid seat per quarter (in thousands)



Kahoot! reached 120K paid seats as of Q3 2019, compared to 95K end of Q2 2019, where of 63K in the Business segment and 57K in the School segment

# Quarterly invoiced revenue development

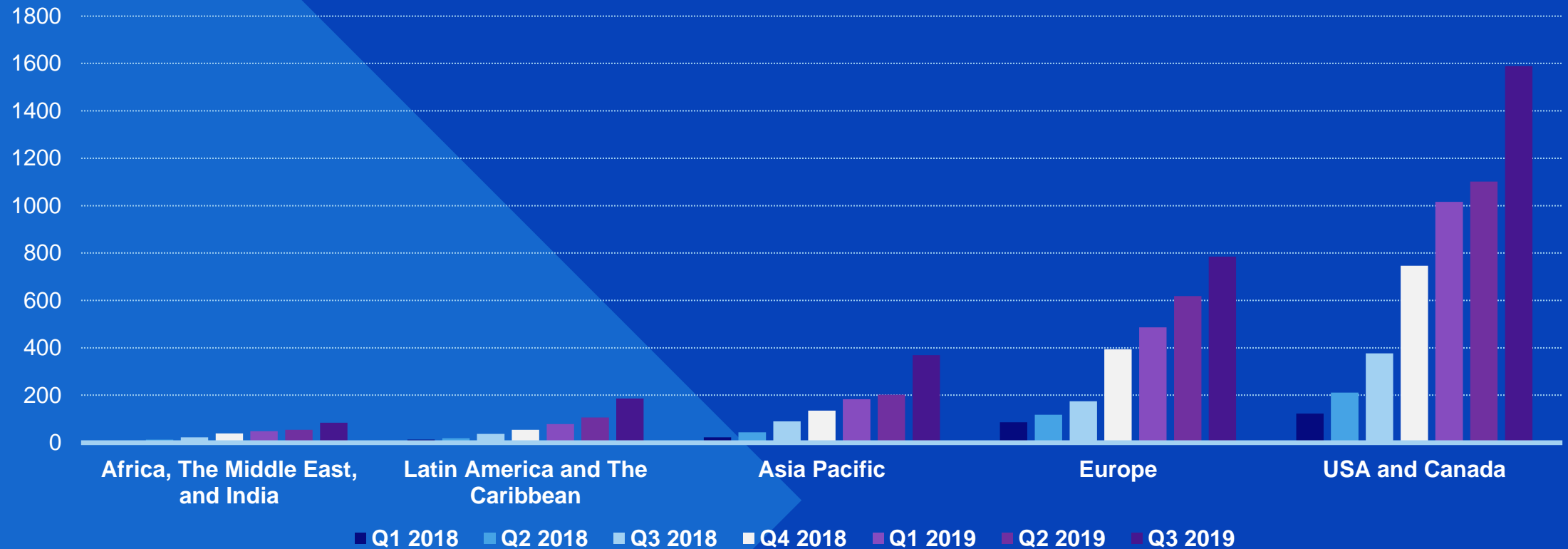
Invoiced revenue (in millions USD)



Q3 2019 invoiced revenue grew to \$3.3m. The organic quarter-over-quarter growth for Kahoot was 42% in Q3 2019 vs Q2 2019

# Automated invoiced revenue per region

Automated Invoiced revenue (in thousands USD)



Kahoot! has paying subscribers from automated sales in more than 150 countries

USA and Canada represent approx. 53% of revenue (Europe approx. 26%) in Q3 2019

# Profit & Loss Statement Q3 2019



## P&L - Kahoot! GROUP - Q3 2019

All figures in thousands USD

	<i>Kahoot!</i> Q3 2019 01.07-30.09	<i>Acquisitions</i> Q3 2019* 01.09-30.09	<i>Group</i> Q3 2019 01.07-30.09	<i>As reported</i> <i>Group</i> Q3 2018 01.07-30.09	<i>Growth</i>	
					<i>Organic</i>	<i>Total</i>
Invoiced Revenue	\$3 263	\$147	\$3 411	\$925	253 %	269 %
Net change unrecognized revenues	-\$1 245	\$40	-\$1 205	-\$334		
<b>Total Recognized Revenue</b>	<b>\$2 018</b>	<b>\$188</b>	<b>\$2 206</b>	<b>\$591</b>	<b>242 %</b>	<b>273 %</b>
COGS	-\$181	-\$61	-\$242	-\$24		
Payroll/Consulting	-\$2 369	-\$233	-\$2 602	-\$1 852		
Other OPEX	-\$1 018	-\$34	-\$1 052	-\$799		
<b>Total Operating Expenses</b>	<b>-\$3 568</b>	<b>-\$327</b>	<b>-\$3 895</b>	<b>-\$2 675</b>	<b>33 %</b>	<b>46 %</b>
<b>EBITDA</b>	<b>-\$1 550</b>	<b>-\$139</b>	<b>-\$1 689</b>	<b>-\$2 085</b>		

- The acquisition of Poio and DragonBox were completed by the end of August 2019. Both companies are consolidated in the Kahoot Group starting from 01.09.2019
- Invoiced revenue of \$3.4m in Q3 2019, compared to \$0.9m in Q3 2018
- Operating revenue of \$2.2m in Q3 2019, compared to \$0.6m in Q3 2018
- EBITDA of -\$1.7m in Q3 2019, compared to -\$2.1m in Q3 2018



# Profit & Loss Statement YTD Q3 2019



## P&L - Kahoot! GROUP - YTD Q3 2019

All figures in thousands USD

	<i>Kahoot!</i> YTD Q3 2019 <i>01.01-30.09</i>	<i>Acquisitions</i> Q3 2019* <i>01.09-30.09</i>	<i>Group</i> YTD Q3 2019 <i>01.01-30.09</i>	<i>As reported</i> <i>Group</i> Q3 2018 <i>01.01-30.09</i>	<i>Growth</i> <i>Organic   Total</i>		<i>As reported</i> <i>Group</i> 2018 <i>01.01-31.12</i>
Invoiced Revenue	\$7 575	\$147	\$7 722	\$1 812	318 %	326 %	\$3 480
Net change unrecognized revenues	-\$2 989	\$40	-\$2 949	-\$717			-\$1 549
<b>Total Recognized Revenue</b>	<b>\$4 585</b>	<b>\$188</b>	<b>\$4 773</b>	<b>\$1 095</b>	<b>319 %</b>	<b>336 %</b>	<b>\$1 932</b>
COGS	-\$470	-\$61	-\$531	-\$50			-\$160
Payroll/Consulting	-\$6 533	-\$233	-\$6 765	-\$6 210			-\$8 104
Other OPEX	-\$3 283	-\$34	-\$3 317	-\$2 523			-\$3 455
<b>Total Operating Expenses</b>	<b>-\$10 286</b>	<b>-\$327</b>	<b>-\$10 614</b>	<b>-\$8 783</b>	<b>17 %</b>	<b>21 %</b>	<b>-\$11 719</b>
<b>EBITDA</b>	<b>-\$5 701</b>	<b>-\$139</b>	<b>-\$5 841</b>	<b>-\$7 688</b>			<b>-\$9 788</b>

- Invoiced revenue of \$7.7m YTD Q3 2019, compared to \$1.8m YTD Q3 2018
- Operating revenue of \$4.8m YTD Q3 2019, compared to \$1.1m YTD Q3 2018
- EBITDA of -\$5.8m YTD Q3 2019, compared to -\$7.7m YTD Q3 2018

# Balance sheet Q3 2019



## Balance sheet - Kahoot! GROUP

All figures in thousands USD

	30.09.2019	30.09.2018	31.12.2018
Capitalized R&D	\$2 785	\$4 681	\$3 614
Licenses / Domain	\$193	\$211	\$204
Goodwill	\$24 713	\$0	\$0
Deferred tax asset	\$3 341	\$1 870	\$3 522
<b>Total intangible fixed assets</b>	<b>\$31 034</b>	<b>\$6 763</b>	<b>\$7 340</b>
<b>Property and equipment</b>	<b>\$273</b>	<b>\$54</b>	<b>\$142</b>
<b>Financial fixed assets</b>	<b>\$6</b>	<b>\$0</b>	<b>-\$56</b>
<b>Total fixed assets</b>	<b>\$31 313</b>	<b>\$6 818</b>	<b>\$7 427</b>
Inventory/Deferred COGS	\$194	\$0	\$0
Accounts receivable	\$1 268	\$426	\$384
Prepaid expenses and other current assets	\$639	\$396	\$542
Cash and cash equivalents	\$13 400	\$13 012	\$28 292
<b>Total current assets</b>	<b>\$15 501</b>	<b>\$13 833</b>	<b>\$29 218</b>
<b>Total assets</b>	<b>\$46 814</b>	<b>\$20 651</b>	<b>\$36 645</b>
<b>Total equity</b>	<b>\$40 300</b>	<b>\$19 089</b>	<b>\$34 075</b>
Accounts payable	\$481	\$210	\$178
Public duties payable	\$39	\$148	\$288
Deferred revenues	\$5 275	\$857	\$1 652
Other current liabilities	\$718	\$347	\$452
<b>Total current liabilities</b>	<b>\$6 514</b>	<b>\$1 562</b>	<b>\$2 570</b>
<b>Total equity and liabilities</b>	<b>\$46 814</b>	<b>\$20 651</b>	<b>\$36 645</b>

Kahoot AS, listed on Merkur Market, has 805 shareholders per October 29, 2019.

On October 22, 2019 Kahoot announced a successful Private Placement of 7,750,000 shares at price NOK 38 per share. Included in the 7,750,000 shares were 1,750,000 shares exercised from fully vested employee options.

Through the Private Placement, the Company raised approximately NOK 228 millions (approximately \$25m) in gross proceeds from the issuance of new shares to investors and approximately NOK 8.8 millions (approximately \$0.95m) from the exercise of employee options.

The net proceeds from the Private Placement will be used to further grow the Company, including allowing the Company to pursue value-creating non-organic opportunities.

# Cash flow statement YTD Q3 2019

## Cash flow - Kahoot! GROUP

All figures in thousands USD

	Q1 2019	Q2 2019	Q3 2019	YTD Q3 2019
<b>Profit/(loss) before tax</b>	-\$2 443	-\$2 121	-\$2 267	-\$6 831
Depreciation and amortisation	\$239	\$239	\$656	\$1 134
Changes in AR	-\$245	-\$201	-\$341	-\$787
Changes in AP	\$124	\$143	-\$41	\$226
Changes in Public duties Payable	-\$251	\$203	-\$454	-\$502
Changes in Deferred revenues	\$839	\$854	\$1 186	\$2 879
Changes in other current balance sheet items	-\$150	-\$568	\$693	-\$24
<b>Net cash flow from operating activities</b>	<b>-\$1 888</b>	<b>-\$1 451</b>	<b>-\$567</b>	<b>-\$3 906</b>
Capitalized R&D	\$0	\$0	\$0	\$0
Acquisition, net of cash acquired	\$0	-\$116	-\$9 426	-\$9 541
Purchase of tangible fixed assets	-\$82	-\$28	-\$64	-\$173
<b>Net cash flow from investing activities</b>	<b>-\$82</b>	<b>-\$144</b>	<b>-\$9 489</b>	<b>-\$9 714</b>
Proceeds from equity issue	\$245	\$0	\$0	\$245
<b>Net cash flow from financing activities</b>	<b>\$245</b>	<b>\$0</b>	<b>\$0</b>	<b>\$245</b>
Translation differences	-\$145	-\$127	-\$1 244	-\$1 516
<b>Net change in cash and cash equivalents</b>	<b>-\$1 869</b>	<b>-\$1 722</b>	<b>-\$11 301</b>	<b>-\$14 892</b>
Cash and cash equivalents at beginning of period	\$28 292	\$26 423	\$24 701	\$28 292
<b>Cash and cash equivalents at end of period</b>	<b>\$26 423</b>	<b>\$24 701</b>	<b>\$13 400</b>	<b>\$13 400</b>
<b>Non-cash investing and financing transactions</b>				
Fair value of shares issued as acquisition consideration			\$14 647	\$14 647

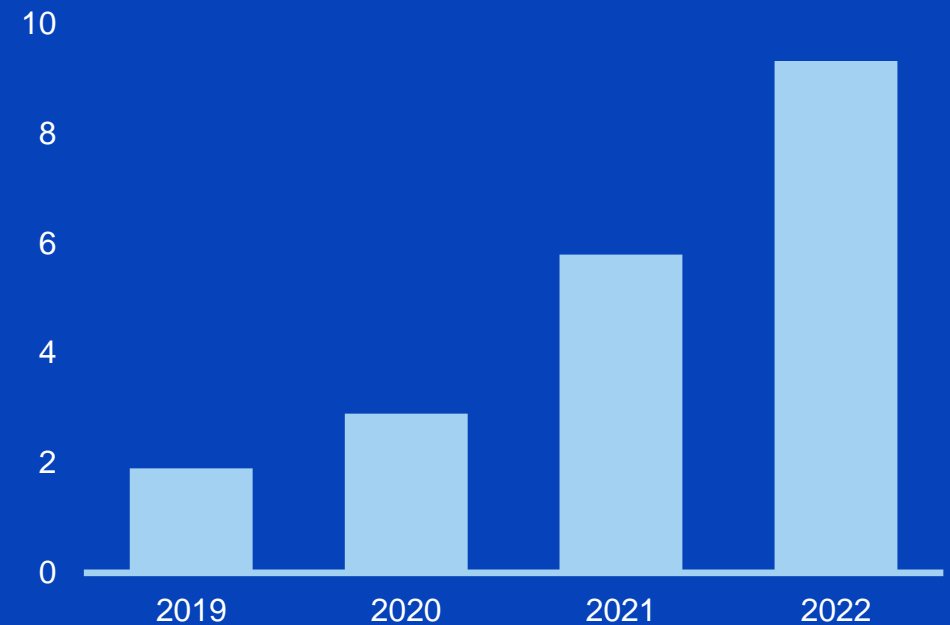
- Cash flow from operating activities of -\$0.6m in Q3 2019, compared to -\$1.9m in Q1 2019 and -\$1.5m in Q2 2019

# Forward looking statement

## For Q4 and FY2019, Kahoot! currently expects:

- Invoiced revenue on Group level to reach \$16-17m in 2019 including full year proforma revenue from acquired units, approx. \$3m
- Invoiced revenue quarter-on-quarter organic growth of 70-80% in Q4 2019, up from 42% quarter-on-quarter growth in Q3 2019
- Positive cash flow from operations in Q4 (Group)
- The cost base at Group level will be \$15.5m of which the Kahoot unit will be \$14m, a 20% increase from 2018
- Kahoot! Monthly Recurring Revenue (MRR) to reach \$1m, with 150k paid seats by end of 2019

## Kahoot! MRR end of year (in millions USD)



Target 2022: Reach over \$100m in customer base value, indicating an MRR \$9-\$10m

**Q&A**

# About Kahoot!



Founded in 2013, Kahoot started by delivering a quiz based game to **ensure attention, create engagement** and **provide knowledge in classrooms**



Kahoot! is a **globally recognized learning brand**, from kindergarten to Wall Street



In the last 12 months, over **200 million games** were played with over **1.1 billion participating players** in over **200 countries**



Kahoot! has **commercial subscription** editions available for all segments with a **free basic version** for personal use and teachers



**Viral growth**, currently adding millions of new accounts and more than **100k net new paid seats** annually



The goal is to become the **leading global learning platform**, extending current offerings and accelerating organic growth

Kahoot!

# Kahoot! *at school*

Embraced by over 5 million teachers  
Loved by hundreds of millions of students  
Empowering students from learners to leaders



Kahoot!

## at school

Premium editions

All schools (K-12)

\$1 / \$3 / \$6 (4 Q 19)

Higher Education

\$5 / \$10 / \$15 (4 Q 19)

All prices per teacher per month



Kahoot!

# Kahoot! *at home*

Millions share  
memorable  
moments!

Practice  
at home

Helping  
children learn  
to read

Creating excitement  
for algebra and  
geometry



Kahoot!

## at home

Premium editions

Introducing

Learning apps

\$5-25

Family subscription

From \$3/month  
(summer 2020)

*Family subscription per family per month*

Kahoot!

# Kahoot! *at work*

Millions of employees playing Kahoot!  
97% of Fortune 500 is using Kahoot!  
Energizing audience in events of any size



Kahoot!

## at work

Introducing

For professionals

\$10 / \$20 / \$40

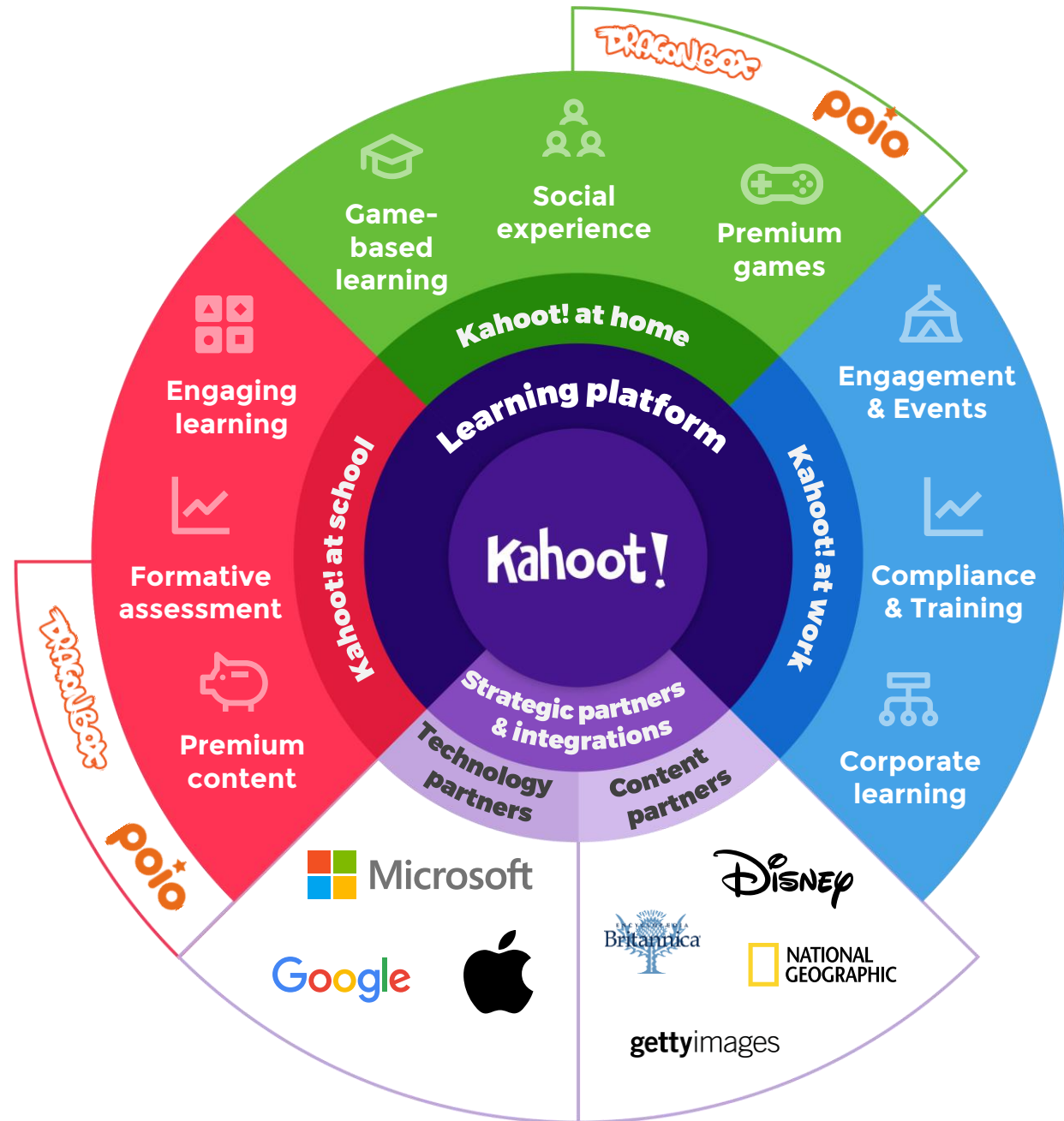
Business suite

\$TBA (Q4 2019)

All prices per presenter/host per month

# The Kahoot! learning platform

Kahoot!



## Kahoot! Overview



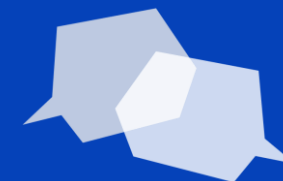
Scalable cloud platform

**\$20B+**

Large market opportunity<sup>1</sup>



Recognized market leader



Viral business model

**300%**

YoY growth in billed revenue

**+100k**

Net new paid seats in 2019

**\$12M**

New sales 2019<sup>2</sup>

**90-100%**

Net dollar retention

1. Based on estimated EdTech market in 2020 from Goldman Sachs Education Technology Sector trends and market update August 2019  
2. Not including Poio and DragonBox