**KAHOOT! ASA**

(A public limited liability company incorporated under the laws of Norway)

**Admission to listing and trading of the Company's shares on the Oslo Stock Exchange**

This prospectus (the "**Prospectus**") has been prepared in connection with the admission to listing and trading (the "**Listing**") of the shares in Kahoot! ASA, a public limited liability company incorporated under the laws of Norway (the "**Company**") and, together with its subsidiaries, the "**Group**" or "**Kahoot!**"), on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**"), each with a par value of NOK 0.10 (the "**Shares**").

The Shares have been admitted for listing and trading on Euronext Growth, a multilateral trading facility operated by Oslo Børs ASA ("**Euronext Growth Oslo**"), since 10 October 2019 under the ticker code "KAHOT" with ISIN NO0010823131. The Company applied for the Shares to be admitted for Listing on the Oslo Stock Exchange on 11 March 2021, and the board of directors of the Oslo Stock Exchange approved the Company's application for Listing on 16 March 2021. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of the Oslo Stock Exchange. Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 18 March 2021 under the ticker code "KAHOT".

ABG Sundal Collier ASA and Arctic Securities AS are acting as advisors in connection with the Listing (jointly referred to as the "**Listing Advisors**").

The Shares are registered in the Norwegian Central Securities Depository (*Nw.: Verdipapirsentralen*) (the "**VPS**") in book-entry form. All Shares rank in parity with one another and carry one vote.

The figures included in the Prospectus have, in certain cases, been rounded off and, consequently, the tables contained in the Prospectus do not necessarily add up. All financial amounts are in U.S. dollars ("**USD**"), unless indicated otherwise.

Except as expressly stated herein, no financial information in the Prospectus has been audited or reviewed by the Company's auditor. Financial information relating to the Company in the Prospectus that is not part of the information audited or reviewed by the Company's auditor as outlined herein originates from the Company's internal accounting and reporting systems.

**The distribution of this Prospectus may in certain jurisdictions be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Any failure to comply with these regulations may constitute a violation of the securities laws of any such jurisdictions. See Section 17 "transfer restrictions".**

**THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY. THE PROSPECTUS DOES NOT CONSTITUTE AN OFFER, OR INVITATION TO PURCHASE, SUBSCRIBE OR SELL, ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SHARES OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS PROSPECTUS.**

**Investing in the Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk factors" beginning on page 9 when considering an investment in the Company.**

**Listing Advisors**

**ABG Sundal Collier ASA** | **Arctic Securities AS**

**The date of this Prospectus is 17 March 2021**

## IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Listing on the Oslo Stock Exchange.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended) (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Prospective investors should make their own assessment as to the suitability of investing in the securities.

For definitions of certain other terms used throughout this Prospectus, see Section 19 "Definitions and glossary".

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the Listing on the Oslo Stock Exchange, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group, or in connection with the Listing, other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or by any of its affiliates, representatives or advisors.

**No Shares or any other securities are being offered or sold in any jurisdiction pursuant to this Prospectus. The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell any of the Shares in any jurisdiction, including in any jurisdiction in which such offer, subscription or sale would be unlawful. No one has taken any action that would permit a public offering of the Shares. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. The Company requires persons in possession of this Prospectus to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Prospective investors should be aware that they may be required to bear the financial risks of an investment in the Shares for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 17 "transfer restrictions".**

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its content is prohibited.

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

The Listing Advisors are acting as advisors only to the Company. The Listing Advisors are not acting for anyone else in connection with the Listing or the matters described in this Prospectus or any related announcement and none of the Listing Advisors nor their respective affiliates, partners, directors, officers, employees or agents are responsible to anyone other than the Company for providing the protections afforded to clients, nor for providing advice in connection with the Listing, nor for any other matters referred to in this Prospectus. The Listing Advisors are not responsible for any information in this Prospectus.

**In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Company and the Shares, including the merits and risks involved.** Neither the Company nor any of its affiliates, representatives and advisers are making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares by such purchaser under the laws applicable to such purchaser. Each prospective investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General information".

### INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Listing.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

### ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the senior management of the Group (the "**Executive Management**") are not residents of the United

States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Executive Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or the Board Members or members of Executive Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Executive Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. Similar restrictions may apply in other jurisdictions.

**AVAILABLE INFORMATION**

The Company has agreed that, for so long as any of the Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (as amended) (the "**U.S. Exchange Act**"), nor exempt from reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

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**APPENDICES**

# 1 SUMMARY

## INTRODUCTION

| | |
|---|---|
| *Warning* | This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities. |
| *Securities* | The Company has one class of shares in issue. The Shares are registered in book-entry form in the VPS and have ISIN NO0010823131. |
| *Issuer* | Kahoot! ASA, with registration number in the Norwegian Register of Business Enterprises (*Nw:. Foretaksregisteret*) 997 770 234 and Legal Entity Identifier ("**LEI**") 2549004957SZTRN8CW77.<br>The Company's registered office is located at Fridtjof Nansens plass 7, 0160 Oslo, Norway, and Group's website can be found at www.kahoot.com. The Company does not have a main telephone number. |
| *Offeror(s)* | Not applicable. |
| *Competent authority* | The Norwegian FSA, with registration number 840 747 972 and registered address at Revierstredet 3, N-0151 Oslo, Norway, and with telephone number +47 22 93 98 00 has reviewed and, on 17 March 2021, approved this Prospectus. |

## KEY INFORMATION ON THE ISSUER

### Who is the issuer of the securities?

| | |
|---|---|
| *Corporate information* | Kahoot! ASA is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 15 December 2011, and the Company's registration number in the Norwegian Register of Business Enterprises is 997 770 234 and its LEI is 2549004957SZTRN8CW77. |
| *Principal activities* | Kahoot! is a global educational technology ("**EdTech**") and enterprise software as a service ("**SaaS**") group that develops a digital learning and engagement platform. Kahoot! has a comprehensive offering of engaging tools for all kinds of learning and audience interaction that is used in schools and universities as well as in business and in any social and learning context, whether in person or virtually.<br>Since the launch of the Kahoot! platform in 2013, Kahoot! has developed from originally offering a game-based learning platform that made it easy to create, share and play learning games or trivia quizzes to its current state of operations where Kahoot! expands its offerings into new areas by developing products and services within interactivity and engagement, including offerings to support culture, teambuilding and training, audience interaction and communications.<br>Kahoot!'s mission is to make learning awesome and aims to become the world's leading learning platform.<br>The Company is the parent company of the Group and is headquartered in Norway with offices in the United States (the "**U.S.**"), the United Kingdom ("**U.K.**"), France, Finland, Estonia, Denmark and Spain. |
| *Major shareholders* | Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. Pursuant to |

the Company's VPS register as at 16 March 2021, three shareholders held more than 5% of the Shares.

| # | Shareholder | No. of Shares | Ownership (%) |
|---|---|---|---|
| 1 | SoftBank Group Corp.[1] | 71,000,000 | 15.91% |
| 2 | Datum Group[2] | 52,130,865 | 11.68% |
| 3 | Glitrafjord AS | 40,208,910 | 9.01% |
| **Total** | | **163,339,775** | **36.6%** |

1 The Shares held by SoftBank Group Corp. are held by a wholly owned subsidiary of SoftBank Group Corp.

2 The entities in the Datum Group that hold Shares are Datum Opportunity AS, Datum AS, Datum Vekst AS ad Datum Eiendom AS.

*Key managing directors* The Executive Management consists of six individuals. The names of the members of the Executive Management and their respective positions are presented in the table below.

| Name | Position |
|---|---|
| Eilert Giertsen Hanoa | Chief Executive Officer |
| Ken Østreng | Chief Financial Officer |
| Morten Versvik | Chief Technical Officer |
| Åsmund Furuseth | Chief Product Officer |
| Lars Erik Grønntun | Chief Operating Officer, Chief Marketing Officer |
| Mads Rebsdorf | Chief Revenue Officer |

*Statutory auditor* The Company's auditor is Deloitte AS, with registration number 980 211 282 in the Norwegian Register of Business Enterprises, and registered address at Dronning Eufemias gate 14, 0191 Oslo, Norway.

**What is the key financial information regarding the issuer?**

For the financial years up to and including 31 December 2019, the Company prepared its consolidated financial statements in accordance with NGAAP, the Norwegian Accounting Act and NRS no. 8 (as defined in the Prospectus). The Company's consolidated financial statements for the financial year ended 31 December 2020 have been prepared in accordance with IFRS (as defined in the Prospectus).

In connection with the Listing, the Company has restated its consolidated financial statements for the financial years ended 31 December 2019 and 2018 to comply with IFRS. The Company's consolidated financial statements for the financial years ended 31 December 2020, 2019 and 2018 have been audited and are included in this Prospectus.

The tables below set out key financial information extracted from the Company's audited consolidated financial statements for the financial years ended 31 December 2020, 2019 and 2018 prepared in accordance with IFRS.

**Income statement**

| *In USD thousand* | Year ended 31 December | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Total revenue and other operating income | 31,034 | 8,464 | 1,941 |
| Total operating expenses | 46,969 | 19,185 | 13,916 |
| Profit/(loss) for the year | (34,481) | (12,475) | (13,023) |

**Financial position statement**

| *In USD thousand* | As at 31 December | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Total assets | 377,800 | 75,163 | 36,110 |
| Total equity | 288,406 | 56,027 | 28,464 |
| Total liabilities | 89,393 | 19,136 | 7,646 |

**Cash flow statement**

| *In USD thousand* | Year ended 31 December | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Cash flows from operating activities | 17,426 | (2,486) | (8,481) |
| Cash flows from investing activities | (34,441) | (9,226) | (153) |
| Cash flows from financing activities | 231,079 | 25,460 | 33,894 |

In October 2020 and in November 2020, the Company acquired the companies Actimo and, through its wholly owned subsidiary Kahoot! International AS, Drops, respectively. Accordingly, the Company has in this Prospectus also included unaudited pro forma condensed financial information to illustrate how the Company's acquisitions of Actimo and Drops could have affected the Company's income statement as included in the Company's consolidated financial statements for the financial year ended 31 December 2020 as if each of the transactions had taken place on 1 January 2020.

The Company has not included separate unaudited pro forma condensed financial information for the Company's consolidated financial position statement as both Actimo and Drops were acquired prior to 31 December 2020 and the Company's consolidated financial position statement for the financial year ended 31 December 2020 reflect these transactions.

The unaudited pro forma condensed financial information included in this Prospectus is presented for illustrative purposes only and does not purport to represent what the Company's actual financial statements would have been had each of the transactions occurred on the relevant dates. The unaudited pro forma condensed financial information does not include all of the information required for financial statements prepared in accordance with IFRS and the unaudited pro forma condensed financial information should be read in conjunction with the Company's consolidated financial statements for the financial years ended 31 December 2020, 2019 and 2018 and related notes.

| | **Unadjusted financial information** | | | | | |
|---|---|---|---|---|---|---|
| *In USD thousand* | **Company (IFRS)** | **Actimo (GAAP)** | **Drops (GAAP)** | **Adjustments GAAP/IFRS** | **Pro forma adjustments** | **Unaudited Pro Forma Condensed Financial Information** |
| Total revenue and other operating income | 31,034 | 3,252 | 5,150 | 1,406 | - | 40,842 |
| Total operating expenses | 46,969 | 3,012 | 2,229 | 3,235 | - | 55,445 |
| Total depreciation and amortization | 2,582 | 703 | 24 | (517) | 3,132 | 5,923 |
| Net financial items | (16,619) | (744) | (4) | (9) | - | (17,376) |
| Income tax | (656) | 2 | 890 | (1,049) | (646) | (1,460) |
| Profit/(loss) for the year | (34,481) | (1,209) | 2,003 | (272) | (2,486) | (36,443) |

**What are the key risks that are specific to the issuer?**

| | |
|---|---|
| *Material risk factors*.......... | • Reduction in user engagement, brand awareness and goodwill may have material adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.<br>• The Group may not be able to convert existing free users to paying subscribers or otherwise expand its number of paid subscriptions, and its paying subscribers may not renew or upgrade their subscription, which could have a material adverse effect on the Group's prospects.<br>• Significant changes in customers or end-users' preferences may have a material adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.<br>• The Group may not be able to implement its business strategy successfully, reach its strategic objectives or manage its growth effectively, all of which could have a material adverse effect on the Group's business, result of operations, financial condition, cash flow and prospects.<br>• Termination of existing collaborations and licensing arrangements may negatively affect the Group, and a downturn in the fortunes of any of the Group's key partners brand may negatively affect the attractiveness of the content available on the Kahoot! platform and thus have a material adverse effect on the Group's business, result of operations, financial condition, cash flow and prospects.<br>• The Group is reliant on key personnel and the ability to attract new qualified personnel, and failure by the Group to retain its key personnel or attract new personnel could have a material adverse effect on the Group's business, result of operations, financial condition, cash flows and prospects.<br>• If the Group is unable to maintain its culture, or if the Group experiences a change in management, management philosophy or business strategy, the Group's business may be harmed and have a negative effect on the Group's business, results of operations and prospects.<br>• The Company may not be successful with the integration of already acquired businesses, and may make acquisitions in the future that prove unsuccessful that could have a material adverse effect on the Group's business, result of operations, financial condition, cash flows and prospects.<br>• The market in which the Group operates is highly competitive and if the Group fail to keep pace with the markets and industry in which it operates it could have a material adverse effect on the Group's business, result of operations, financial condition, cash flows and prospects.<br>• The Group is exposed to risks relating to copyright and other rights infringements through user generated content.<br>• Infringement, misappropriation or dilution of the Group's intellectual property could harm the Group's business.<br>• The Group's failure to comply with applicable data protection and privacy regulations could have a material adverse effect on the Group's business operations. |

**KEY INFORMATION ON THE SECURITIES**

**What are the main features of the securities?**

| | |
|---|---|
| *Type, class and ISIN*......... | All of the Shares are common shares in the Company and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO0010823131. |
| *Currency, par value and number of securities*......... | The Shares will be traded in NOK on the Oslo Stock Exchange. As at the date of this Prospectus, the Company's share capital is NOK 44,639,847.70 divided into 446,398,477 Shares, each with a par value of NOK 0.10. |

| | |
|---|---|
| *Rights attached to the securities* | The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company. Each of the Shares carries one vote. |
| *Transfer restrictions* | The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal upon transfer of the Shares. Share transfers are not subject to approval by the Board of Directors. |
| *Dividend and dividend policy* | The Company has not previously paid any dividends. The Company is in a growth phase and is not planning to pay any dividends for the next few years. |

**Where will the securities be traded?**

The Company applied for the Shares to be admitted for listing and trading on the Oslo Stock Exchange on 11 March 2021. Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 18 March 2021. The Shares will upon Listing be deregistered from Euronext Growth Oslo. The Company has not applied for admission to trading of the Shares on any other stock exchange, regulated market or a multilateral trading facility (MTF). The Shares are as of the date hereof admitted for listing and trading on Euronext Growth Oslo under the ticker code "KAHOT".

**What are the key risks that are specific to the securities?**

| | |
|---|---|
| *Material risk factors* | • Future issuances of Shares or other securities could dilute the holdings of existing shareholders and could materially affect the price of the Shares.<br>• Future sales, or the possibility of future sales of substantial numbers of Shares could affect the Shares' market price. |

**KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET**

**Admission to trading**

| | |
|---|---|
| *Admission to trading* | On 11 March 2021, the Company applied for admission to listing and trading of the Shares on the Oslo Stock Exchange and the board of directors of the Oslo Stock Exchange approved the Company's listing application on 16 March 2021.<br>The Company expects commencement of trading in the Shares on the Oslo Stock Exchange on or about 18 March 2021. The Company has not applied for admission to trading of the Shares on any other stock exchange, regulated market or a multilateral trading facility (MTF). The Shares are as of the date hereof admitted for listing and trading on Euronext Growth Oslo under the ticker code "KAHOT". |
| *Total expenses of the Listing* | The Company's total costs and expenses of, and incidental to, the Listing are estimated to amount to approximately USD 1,300 thousand. |

**Why is this Prospectus being produced?**

| | |
|---|---|
| *Reasons for the admission to trading* | This Prospectus has been prepared in order to facilitate for the Listing of the Company's Shares on the Oslo Stock Exchange. The Listing is being pursued as part of the Group's strategy to provide liquidity to its shareholders by further enhancing the Company's access to capital markets as part of the financing strategy and to facilitate future growth. |
| *Conflicts of interest* | There are no material conflicts of interest pertaining to the Listing. |

# 2 RISK FACTORS

*An investment in the Company involves inherent risks. Prospective investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof, and represents those risk factors that the Company believes to represent the most material risks for prospective investors when making their investment decision in the Company. An investment in the Company is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.*

*The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares.*

## 2.1 Risks related to the Group and its business and the industry in which it operates

### *2.1.1 Reduction in user engagement, brand awareness and goodwill may have material adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects*

The Group considers it critically important to its future financial performance that it continue to grow its user base, including free users, which comprised approximately 24 million active accounts ("**active accounts**" are defined as unique user accounts hosting a game with one or more participants in the last 12 months) during 2020, by ensuring that it maintains high levels of user engagement, brand awareness and goodwill. The Group's user engagement, brand awareness and goodwill may, however, suffer for a number of reasons. Users may conclude that the Group's most innovative and high quality products, services and functionalities are being reserved for paying subscribers and lose interest in the Group's free content or seek out other providers of free or low-cost EdTech products.

The Group's reputation and brand may also suffer due to lack of control over the user generated content on the platform or if content is perceived as inappropriate, controversial or offensive. As the Kahoot! platform allows users to create, host and share Kahoot! games ("**Kahoots**"), the Group has limited control over the created Kahoots, and a particular risk arises from the potential generation of inappropriate, illegal or poor-quality content. Although the Group has implemented procedures to identify and remove illegal or objectionable content, such measures may not be successful in eliminating the content in a timely fashion or at all. Failure to adequately monitor the content or prevent the generation or use of such content could significantly harm the Group's reputation. Furthermore, a considerable part of the most popular content is created by the Group's content partners and although the content partners are highly respected and professional organisations and publishers, the content created and shared by these may be considered inappropriate, controversial or offensive that could significantly harm the Group's reputation.

The Group's reputation and brand may also suffer as a result of inappropriate use. For example, users may when participating in a Kahoot use nicknames that in general are regarded as offensive or in specific cases are directed towards others in a harmful way, and which can be regarded as threatening, defamatory, abusive, harassing, degrading, intimidating or racist. Although the Group's policy for acceptable use of the Kahoot! platform allows Kahoot! to suspend users who do not comply with this policy, the Group may not be successful in identifying users who are non-compliant with the policy or be able to suspend such users in a timely fashion or at all.

If, as a consequence of any of the foregoing, user engagement decreases significantly or the Group's brand awareness and goodwill decline among its users, the Group's user base could cease growing or even shrink. Given the importance of the Group's user base as a source of potential paying subscribers, any decline in users, including both existing paying subscribers and non-paying users, could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

*2.1.2 The Group may not be able to convert existing free users to paying subscribers or otherwise expand its number of paid subscriptions, and its paying subscribers may not renew or upgrade their subscription, which could have a material adverse effect on the Group's prospects*

The Group's business and future revenue growth depends on the Group's ability to convert free users to paying subscribers or attract new customers, as well as to incentivise existing paying subscribers to renew and potentially upgrade their subscriptions. In order for the Group's subscriber base to become a source of recurring revenue growth, subscribers must renew their subscriptions and ideally upgrade their subscriptions to higher-value subscription packages. If the Group is not able to further increase or maintain the same rate of growth in number of paid subscriptions as it experienced from 2018 to 2020, this could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

The Group may incur significant product development costs as well as significantly higher marketing and advertising expenses, particularly towards corporate customers, in order to be able to convert free users to paying subscribers, or for existing subscribers to upgrade their subscriptions. There is no guarantee, however, that such investments will be successful. The Group may expend significant sums to develop and launch new subscription-based offerings targeting different customer groups without successfully increasing the number of paying subscribers or their rate or renewal, resulting in the Kahoot! platform remaining a platform that customers prefer to use free of charge. For example, during the last 12 months, the Group has released major new subscription-based products including the Kahoot!+ premium plans, Kahoot! EDU, Kahoot! Academy, Kahoot! Publishing and Kahoot! 360, each targeting different user groups. There can be no assurance that any of these new offerings will result in the desired number of paid subscriptions, including conversion of previous free users, or renewals.

The number of paid subscriptions, as well as renewals, in a given period may decline or fluctuate for any number of reasons, such as dissatisfaction with the Group's offerings, solutions or support, subscribers no longer identifying a need for the Group's offerings or the perception that competing products are better or that there are less expensive value options on the market. Users may choose competing products and services over those of the Group due to factors such as ease of adoption and use, range of features, user experience, and overall reliability of the Group's offerings compared to other alternatives available with a competing content. However, even if the Group manages to continue expanding its base of subscribers and paying subscribers renew their subscriptions, the Group may not be able to generate increased revenue from such subscribers to the extent such subscribers have limited appetite for additional upgrades or subscriptions. Any decline in the Group's number of paid subscriptions, or the lack of renewal or upgrade of such subscriptions, may have a material adverse effect on the Group’s business, results of operations, financial position, cash flows, and prospects.

*2.1.3 Significant changes in customers or end-users' preferences may have a material adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects*

The Group's main markets are characterised by technological advance, change in customer requirements and frequent new product and service introduction and improvements of existing products and services. Since user preferences change and develop over time, Kahoot! needs to adapt to changing preferences in order to stay attractive and relevant for its users and successfully develop popular and innovative products and services tailored to all of its user groups.

The Group invests significant resources and maintains a persistent focus on innovation and creativity in order to retain its users' brand loyalty and attract further interest within all user groups. However, the Group may not be able to keep pace with changes in its industry or advancements in technology. As of 31 December 2020, customers within the Kahoot! at School user group accounted for approximately 42% of the Group's paid subscriptions, and the offerings relating to EdTech products consist of relatively new products and services. Thus, the Group is particularly vulnerable to a shift in the preferences of educational customers and their end-users. The Group may lose a significant number of users if new services supporting more innovative and pedagogical teaching methods are developed by competitors and the Group is not able to keep up with these developments, a risk that may be exacerbated by negative reviews of the Group's offerings from users. In addition, a significant portion of the Group's Invoiced Revenue comes from corporate users and as the Group's future revenue growth particularly depends on expanding the number of corporate users by introducing additional paid features and functionalities to products and services offered to the corporate market, the Group must develop further products and services that cater specifically to corporate needs.

Any failure by the Group to create products that its targeted user groups are willing to pay for would have an adverse impact on its growth in number of paying subscribers, including conversion of previous free users, and revenue generation. A shift in the preferences of users away from Kahoot!'s offerings and towards competing products or a failure to meet users' expectations and retain their loyalty, could cause a decline in the popularity of the Group's offerings that could have a material adverse effect on the Group's business, operating results, financial condition, cash flow and prospects.

*2.1.4 The Group may not be able to implement its business strategy successfully, reach its strategic objectives or manage its growth effectively, all of which could have a material adverse effect on the Group's business, result of operations, financial condition, cash flow and prospects*

The Group's ability to implement its strategy and achieve its business and strategic financial objectives is subject to a variety of factors, many of which are beyond the Group's control. The Group's success will depend upon several factors, including the Group's ability to increase product development, expand the Kahoot! platform functionalities and increase the value and the quality of the Group's existing and future offerings and adapt these successfully to the needs of its users, increase value from adding high-quality content on the Kahoot! platform, and expand the Kahoot! platform functionality and geographical footprint by successfully consummate desirable acquisitions, joint ventures or strategic alliances relevant to the Group's strategy.

The Group's failure to execute its business strategy or reach its strategic objectives could adversely affect the Group's business prospects, financial condition and results of operations. In addition, there can be no guarantee that even if the Group were to successfully implement its strategy, it would result in the Group achieving its business and financial objectives. The Group may decide to alter or discontinue elements of the Group's business strategy and may adopt alternative or additional strategies in response to the Group's operating environment or competitive situation or other factors or events beyond the Group's control. However, there is no guarantee that such revised strategies will be successfully executed.

The Group's rapid growth has, and will continue to, require significant demands from the Group's employees. For the Group to attain and maintain growth in the number of users, including paying subscribers, the Group will need to recruit, integrate and retain skilled and experienced personnel that can demonstrate the Group's value proposition to users. Continued growth could also strain the Group's ability to maintain reliable service levels for the Group's existing users, develop and improve the Group's offerings. If the Kahoot! platform do not continue to evolve to meet the demands of its users, the Group may be unable to meet these expectations. As the Group's operations continue to grow in size, volume of user generated and partner created content, and complexity of the offerings, the Company will need to improve and upgrade its systems and infrastructure, which will require additional expenditures and allocation of available resources within the Group. If the Group fails to maintain efficiency and allocate its available resources effectively as the business operations of the Group continue to grow, the Group's business operations, operating result and financial condition may suffer. As the Group continues to grow larger through an increased number of users, the Company expects it will become increasingly difficult to maintain the current rate of growth.

*2.1.5 Termination of existing collaborations and licensing arrangements may negatively affect the Group, and a downturn in the fortunes of any of the Group's key partners' brand may negatively affect the attractiveness of the content available on the Kahoot! platform and thus have a material adverse effect on the Group's business, result of operations, financial condition, cash flow and prospects*

The Group has collaborations and licensing arrangements with third parties to improve the platform's content and to expand its reach with existing and new audiences. The Group's key partners provide the Group with marketing, sales and partnership benefits, such as licenses to use their images and other creative content. The Group considers these collaborations and licensing arrangements to play an important role in the Group's offering of high quality products and services. If the Group's key partners terminate their collaboration with the Group, or if the Group is unable to deliver or negotiate new or revised agreements with its key partners on terms favourable to the Group, or is unable to secure agreements with new partners that offer similar advantages to the terminating key partners, it may result in reduced user growth, engagement and new subscriptions.

Even if the Group is able to maintain the collaboration and licensing arrangements, there is no guarantee that these will continue to be maintained or the agreements renewed indefinitely. For example, the agreements may expire while the Group is negotiating their renewals, and the Group may enter into brief extensions for the relevant agreements and/or continue to offer products or services made available through the collaborations and/or licensing arrangements as if the relevant agreements had been extended. During these periods, the Group may not have assurance of being able to provide the content made available through these arrangements in the long-term, which could have a material adverse effect on the Group's business. It is also a risk that the relevant agreements may never be renewed or extended at all. The termination or lack of renewal and/or extension of the relevant agreements could have a material adverse effect on the Group's business, financial condition and results of operations.

The attractiveness of the content made available through these collaborations and licensing arrangements also depend on the brand strength of the key partners. Should the key partners fail to maintain the strength of their brand, the attractiveness of the content available on the Kahoot! platform may suffer a downturn that may impact the Group's business, financial condition and result of operations.

*2.1.6 The Group is reliant on key personnel and the ability to attract new qualified personnel, and failure by the Group to retain its key personnel or attract new personnel could have a material adverse effect on the Group's business, result of operations, financial condition, cash flows and prospects*

The Group is dependent upon having a highly qualified team and is therefore reliant on key personnel and the ability to retain and attract new, qualified personnel. The shortage of and competition for relevant management personnel and highly qualified IT professionals with experience and relevant skill sets within the EdTech, educational learning ("**e-learning**"), remote working, SaaS and emerging technologies industries is expected to continue to increase, particularly due to the increasing trend of remote or digital education and learning which further escalated through the outbreak of the coronavirus SARS-CoV-2 ("**Covid-19**"). The loss of one or more key persons, or inability to recruit relevant personnel, might impede the achievement of the Group's development and commercial objectives.

It is vital for the Group's operations to retain or replace certain IT professionals with expertise within information security and privacy, as well as certain IT professionals within the Group's product and engineering department with the skills required to sustain and develop the Group's innovative and creative products. The Group's key personnel are also likely to be subject to competing employment offers, are attractive for the Group's competitors and may also establish competing business. The Group's employees are only to a limited extent subject to restrictive covenants such as non-compete undertakings in their employment agreements, and the Group's competitors may therefore be successful in recruiting and hiring one or more key persons, including members of the Group's management personnel and key persons obtained through acquired companies, and it may be difficult for the Group to find suitable replacements on a timely basis, on competitive terms or at all.

Although the Group has not relied on paid marketing competencies in the past due to the Kahoot! platform's viral distribution model, the Group is conscious with respect to a potential increased need for qualified marketing professionals in order to obtain and retain paying subscribers, particularly corporate subscribers, as one of the Group's strategic focus areas is to develop paid services targeting enterprise customers. The Group believes that there is a shortage of, and intense competition for, marketing professionals with the ability and expertise to sell its products and services to large businesses and organisations worldwide with lengthy procurement cycles and negotiation processes.

There is no assurance that the Group will be able to recruit the required new key personnel in the future. Any failure to retain or attract such personnel could result in the Group not being able to successfully implement its business plan which could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

*2.1.7 If the Group is unable to maintain its culture, or if the Group experiences a change in management, management philosophy or business strategy, the Group's business may be harmed and have a negative effect on the Group's business, results of operations and prospects*

The Group has focused on creating a playful, curious and inclusive learning environment among its team because it believes that these qualities are vital for the creativity underlying the development of new offerings. As the Group grows, however, the Group may find it difficult to maintain this environment or may face pressure to change its culture. This is a particular risk if the Group experiences a change in management, management philosophy or business strategy. Such changes could undermine the environment that the Group considers essential to its success so far and harm the Group's ability to retain and recruit employees with creativity and other qualities essential to its future success.

Changes in the Group's culture, management, management philosophy and business strategy may also occur as a result of acquisitions. Acquired companies may have operated under a different environment and culture, and with other values, ethical standards, controls, procedures and operational functions. Although compatibility of work cultures is a key focus for the Company when evaluating potential acquisition targets, the Group may experience it challenging to integrate the workforce of acquired companies into the learning environment of the Group. The risk of not being able to maintain the Group's learning environment is prominent as the Group grows to become a global company with operations across different jurisdictions, due to inherent cultural and geographical dispersion.

Failure to maintain the Group's corporate culture and environment as a result of the abovementioned factors and other unforeseen or unexpected events could therefore adversely impact the Group's ability to compete and have a negative effect on the Group's business, results of operations and prospects.

*2.1.8 The Company may not be successful with the integration of already acquired businesses, and may make acquisitions in the future that prove unsuccessful that could have a material adverse effect on the Group's business, result of operations, financial condition, cash flows and prospects*

During 2019, 2020 and the beginning of 2021, the Company has made in total five business acquisitions, including; (i) Poio AS ("**Poio**"), (ii) Kahoot DragonBox AS ("**DragonBox**"), (iii) Actimo ApS ("**Actimo**"), (iv) Plan B Labs OÜ ("**Drops**") and (v) Digital Teaching Tools Finland Ltd ("**Whiteboard**"). Although the Group believes that the integration of Poio, DragonBox, Actimo and Drops has so far been successful, and the Group expects a similar successful integration of Whiteboard, there is a risk that such integration encounters difficulties in the future and that the Group may not be able to effectively integrate the products and services offered by these companies in part or in full on the Kahoot! platform, or that these companies generate the anticipated synergies and commercial benefits. The inefficiencies, lack of control and potential delay that may result if these integrations are not implemented, as well as unforeseen difficulties and expenditures that may arise in connection with the integration, could have an adverse effect on the Group's business.

The Group is constantly considering possible strategic acquisitions and the successful growth through acquisitions is dependent upon the Group's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms, obtain required approvals and authorisations, and integrate the acquired companies, and their product and services on the Kahoot! platform, as well as retaining key personnel following completion of such acquisitions. If the Group makes acquisitions, it may be unable to generate expected cash flows, or realise the anticipated benefits of such acquisitions, including growth or expected synergies. The Group's assessment of and assumptions regarding acquisition targets may prove to be incorrect, and actual developments may differ significantly from expectations. The integrations may require greater investment and be more time-consuming than anticipated. Additionally, the acquisitions may result in unintended consequences, for example, if significant liabilities come to light following completion of the acquisitions.

The process of integrating acquired companies may also be disruptive to the Group's operations, as a result of, among other things, unforeseen legal, regulatory, contractual and other issues and difficulties in realising operating synergies, which could cause the Group's results of operations to decline. Moreover, any such acquisitions and integration processes may divert the Group's management's attention from day to day business or other business concerns and may also lead to the use of resources that are otherwise needed in other parts of the Group's operations. If any of the above risks were to materialize, this may have an adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.

*2.1.9 The market in which the Group operates is highly competitive and if the Group fail to keep pace with the markets and industry in which it operates it could have a material adverse effect on the Group's business, result of operations, financial condition, cash flows and prospects*

The Group faces intense competition, both domestically and internationally, due to rapid technological developments, frequent new product introductions, unpredictable changes in growth rates and competition for the services of qualified personnel. The Group expects to continue to experience increased competition from existing and new competitors, as well as potentially from existing technology companies that decide to enter the EdTech market, e-learning and engagement markets, some of which are more established and who may have greater capital and other resources, superior brand recognition, and/or more aggressive pricing policies. Although the Group believes that it enjoys a number of key advantages compared to its competitors, there is no assurance that the Group will continue to be able to compete successfully in such a competitive marketplace.

If in the future, the Group is unable to keep up with the market's expectations for continuous updates, or competitors introduce products that are more innovative or appealing to customers and users, the Group's platform may experience a significant decline in popularity which may have an adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.

*2.1.10 Inferior virtual deck placement may have a material adverse effect on the Group's business and its ability to reach users and subscribers, which in turn could have a material adverse effect on the Group's result of operations, financial condition, cash flows and prospects*

Virtual deck placement holders such as Google Play and App Store provide a limited selection of games that are accessible through a deck on mobile handsets and typically one or more top level menus highlighting games that are recent top sellers or which are expected to become top sellers or which are prominently featured for other reasons. Such advantageous placement can have a positive impact on the sales of a company's games, by giving it more exposure.

One of the key determining factors for the placement of a game, or other app's, in the virtual deck holders such as Google Play and App Store is the number of downloads. Currently, the Group is experiencing a high growth rate and an increasing number of users downloading the Kahoot! platform, and consequently the platform has a high rank in the relevant app stores. If the number of downloads decreases over time, however, the platform may lose its current rank and deck placement. The Group believes that deck placement on the top level or featured menu or toward the top of genre specific or other menus, rather than lower or in sub-menus, is likely to result in games achieving a greater degree of commercial success, and consequently inferior virtual deck placement may have a material adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.

*2.1.11 The Group is exposed to the risk of cyber-crime that could harm the Group's business operations and have a material adverse effect on the Group's result of operations, financial condition, cash flows and prospects*

The Group and its end-users may be subject to cyber-attacks from cybercriminals, hackers or other parties. Rapid changes in attack vectors make it difficult to stop attacks and adapt to new threats. Further, increased social hacking creates a cyber-threat risk for the Group. The Kahoot! platform has almost since launch experienced numerous DDoS (Distributed Denial of Service) attacks, which are attempts to render the platform unusable by flooding it with a massive amount of traffic. There are also similar attempts including lesser traffic to simulate actual users, where the desired effect is to reduce the quality of the overall user experience of the platform.

Hackers have in the past accessed Kahoots with usernames that may be perceived as offensive, such as racist usernames. Since the Kahoot! platform is largely used in teaching contexts, often involving younger students, such attacks can harm the credibility of the platform and cause teachers to refrain from its use. Further, IT security breaches could lead to shutdowns or disruptions of the Group's systems and potential unauthorized disclosure of confidential information or data, including personal data.

The Group may be required to use significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. The theft or unauthorized use or publication of confidential information or other proprietary business information, or privacy-related obligations or third parties, or any compromise of security that results in an unauthorized release, transfer of use of personally identifiable information or other customer data as a result of an IT security incident could materially and adversely affect the Group. Please refer to Section 2.2.3 "The Group's failure to comply with applicable data protection and privacy regulations" below for a more detailed description relating to data protection and privacy regulations. If the Group is unable to protect its platform and digital structure from cyber-threats or disruption, failure or security breaches of these systems could materially and adversely affect its business, results of operations, financial condition, cash flow and prospects.

*2.1.12 The Group is exposed to the risk of system failures, defects or errors that could harm the Group's business operations and have a material adverse effect on the Group's result of operations, financial condition, cash flows and prospects*

The Group's portfolio of hardware and software products, solutions and services and the IT infrastructure systems utilised by the Group may be vulnerable to damage or disruption caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system, general IT infrastructure or network failures, computer viruses, cyber-attacks or malicious software programs.

Should any of the abovementioned events occur, a decision by the Group's third-party service providers to close the data centres without adequate notice, or should other unanticipated problems occur, it may result in the Group's inability to operate the Kahoot! platform, and may require the Group to migrate its software and data to another data centre or cloud computing service. The Group may not be able to easily switch to another data centre or cloud computing service in the event of any disruptions or interference to the IT infrastructure systems used by the Group, and even if the Group is able to do this, other data centres and cloud service providers are subject to the same risks. Additionally, the Group's third-party service provider agreements are of limited durations, and the service providers have no obligation to renew their agreements on commercially reasonable terms or at all. If the Group is unable to renew these agreements on commercially reasonable terms, the Group may experience delays in the provision of its offerings until an agreement with another service provider is arranged. Additionally, the Group's agreements with third-party service providers provide for a limited contractual liability for the service providers and the Group may not be able to adequately cover its losses.

The disruption of the Group's IT infrastructure systems or their failure to perform as anticipated for any reason could disrupt the Group's business and result in decreased performance, significant remediation costs, transaction errors, loss of data, processing inefficiencies, down-time, litigation, and the loss of customers and other users. System failures and defects may lead to bugs and errors in the Group's products and services which may harm the Group's reputation and cause further customer withdrawal. A significant disruption or failure could have a material adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.

#### *2.1.13 The Group uses certain open source licensed software components or modules in its business*

The Group's use of open source licensed software is generally limited to permissive licenses, which will not adversely affect the Group's ability to use or modify the software for commercial purposes. The Group may decide to use certain non-permissive open source licensed software components in the future. The Group's ability to fully realise the commercial benefits of software containing non-permissive open source licensed materials may be restricted. Depending on the actual use, non-permissive open source licensed software may impose obligations on the Group to disclose proprietary software to third parties and to permit them to use the software free of charge. Open source licences may also present onerous compliance risks, and failure to observe these may result in litigation or the loss of the right to use the software which may have an adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.

#### *2.1.14 The Group and the industry in which it operates may be materially and adversely affected by global or regional economic market conditions, including the impact of the Covid-19 pandemic*

The Group's performance and further development depends on the continued stable growth of the global market for information and educational technologies and its value chain, which could be adversely affected by a material adverse change in the world economy or global economic market conditions. In particular, a majority of the Group's revenues are derived from paying subscribers located in North America and Europe. A significant financial downturn or economic turmoil in North America or Europe may therefore negatively impact the Group's revenues and results of operation. The demand for the Group's offering of products and services may also be significantly affected by changes in the market for online learning.

Since the Group monetises the Kahoot! platform through paid subscriptions, the Group's income is based on payment by customers, which imply an inherent risk that customers will not have the financial ability to purchase the Group's products and services or purchase additional offerings, for example through upgrading their subscription packages.

Since the outbreak of Covid-19, the global economy has experienced a period of high uncertainty and as a result, the growth prospects for the global economy have weakened. Although the impact of Covid-19 so far has led to an increase in paying subscribers for the Group, it is difficult to estimate the Group's future revenue if the extraordinary situation caused by the Covid-19 pandemic persists or, conversely, if the Covid-19 pandemic eventually subsides and passes, whether the Group may experience a slower growth rate in its revenues. When, for example, educational institutions such as schools and universities resume in-person classes or activities, or employees in corporations return to in-house working, it is difficult to predict whether these institutions and corporations will continue with online learning at all or at the same degree.

As a result of any of the foregoing factors, the Group’s primary revenue generating customers may in the future not be able to, or may choose not to, renew or upgrade their subscriptions, which may have a material adverse effect on the Group's business, results of operation, financial condition, cash flow and prospects.

### 2.2 Risks related to laws, regulation and litigation

#### *2.2.1 The Group is exposed to risks relating to copyright and other rights infringements through user generated content*

As the Kahoot! platform enables users to generate and distribute Kahoots, the Group cannot control whether such content is legally used by the users and there is a risk of inappropriate or illegal content in such games. The Group has adopted measures to minimize potential infringement of third-party intellectual property rights through its intellectual property infringement complaint and take-down procedures, but these measures may not always be successful and the Group could be sued for infringement by owners of such intellectual property.

Furthermore, any usage of the platform to promote illegal content or illegal activities could mean that the Group and its data might become a subject of interest to law enforcement agencies seeking to impose liability on the Group for such content. Any such process can be costly and lead to reputational damage. Should the Group's reputation be damaged it could have a material adverse effect on the Group's business, financial position and results of operation. In addition, the legislation governing liability for user generated content may vary in each country where the Group's services are provided and such legislation may change from time to time, which could negatively impact the business of the Group.

The European Commission has, as part of its digital strategy "*Shaping Europe's Digital Future*", announced the implementation of a new legislative initiative to create a regulatory framework for digital services and platforms in the EU (the "**Digital Services Act**"). The Digital Services Act will be applicable for any platform hosting user generated content and will impose new legal responsibilities on such platforms in relation to different types of content. Although the content and the scope of the new legislation, and thus the responsibilities, are unknown, it is likely that the Digital Services Act will impose additional and stricter requirements to detect and prevent any illegal content from appearing on the Kahoot! platform.

Any failure to comply with such requirements may result in governmental enforcement actions, litigation or public statements against the Group which could have a material adverse effect on the Group's results of operation, financial condition, cash flow and prospects. The Group may be subject to allegations of civil or criminal liability for unlawful activities carried out by third parties through its online platform.

### *2.2.2 Infringement, misappropriation or dilution of the Group's intellectual property could harm the Group's business*

The Group has extensively registered trademarks in and related to the "Kahoot!" brand, including word-marks and logos currently in use by the Group in among others, the U.S., Canada, U.K., Europe and Norway. The Group believes that the "Kahoot!" trademarks have significant value and are critical to the Group's success. Unauthorized uses or other infringement of the Group's trademarks could diminish the value of the Group's brand and adversely affect its business. Effective intellectual property protection may not be available in every market. Failure to adequately protect the Group's intellectual property rights could damage the Group's brand and impair its ability to compete effectively. Even where the Group has effectively secured statutory protection for its trademarks, the Group's competitors and other third parties may misappropriate its intellectual property, and in the course of litigation, such competitors and other third parties may attempt to challenge the breadth of the Group's ability to prevent others from using similar marks.

If such challenges were to be successful, this could harm the Group's ability to prevent others from using similar marks, which may ultimately result in a reduced distinctiveness of the Group's brand in the minds of consumers or consumer confusion and reputational damage to the Group. Defending or enforcing the Group's trademark rights and other intellectual property could result in the expenditure of significant resources and divert the attention of the Group's management, which in turn may materially and adversely affect the Group's business and results of operations, even if such defense or enforcement is ultimately successful.

### *2.2.3 The Group's failure to comply with applicable data protection and privacy regulations could have a material adverse effect on the Group's business operations*

Collection and processing of personal data about the Group's users and customers is an integral part of the Group's provision of services, and is further described in Section 6.15 "Regulatory matters" below. The Group's processing of personal data is subject to complex and evolving laws and regulations regarding data protection and privacy in various jurisdictions ("**Data Protection Laws**"), including but not limited to the General Data Protection Regulation (EU) 2016/679 ("**GDPR**") in the EU/EEA and the Child Online Privacy Protection Act (COPPA) in the United States.

Any failure to comply with applicable Data Protection Laws and data privacy policies, privacy-related obligations to users, privacy-related legal obligations or any compromise of security that results in an unauthorized release, transfer or use of personally identifiable information or other customer data, may result in governmental enforcement actions, litigation or public statements against the Group. In addition, any such failure to comply with applicable Data Protection Laws could also cause users, customers and collaborating partners to lose their trust in the Group and thus resulting in the Group losing a significant part of its goodwill. Furthermore, a significant portion of the Group's user base is sourced from the educational sector, a large sub-portion of which comprises children and students under the age of 18. This represents a particular risk for the Group as applicable Data Protection Laws contain a range of provisions imposing additional and stricter requirements to data processors processing children's personal data. Consequently, the Group needs to use additional resources to ensure continuous compliance with such regulatory requirements. Moreover, the Group's processing and storing of personal data about children and students exposes the Kahoot! brand, which is one of the Group's competitive advantages, to greater risk, as a potential breach or non-compliance of the requirements for processing of children's data as determined by applicable Data Protection Laws may lead to a decrease in the popularity of Kahoot!'s products and services among its users and a withdrawal of paying subscribers. Although a significant portion of the Group's goodwill is based on the educational sector, particularly in the U.S., such withdrawal may have an impact on the Group's other user groups as well.

In connection with previously completed acquisitions of companies, the Group has in the past experienced inadequacies in respect of compliance with applicable Data Protection Laws and may identify inadequacies of similar or different nature in connection with potential future acquisitions of companies. When such inadequacies have been identified in the past, the Group has promptly implemented measures to ensure that the acquired companies are processing personal data in accordance with applicable Data Protection Laws. Although the Group has adopted measures to ensure compliance with Data Protection Laws, ensuring compliance with applicable Data Protection Laws can be time consuming and such measures may not always be successful.

In July 2020, the EU Court of Justice held in the case Data Protection Commissioner v. Facebook Ireland Limited, Maximillian Schrems (C-311/18), more commonly known as "**Schrems II**", that the privacy shield framework for the transfer of personal information to the U.S. from the EU/EEA was invalid and imposed additional obligations in connection with the use of EU Standard Contractual Clauses for transfer of personal information. The impact of this decision on the ability to lawfully transfer personal data from the EU/EEA to the U.S. is being assessed and guidance from EU regulators and advisory bodies is awaited. It is possible that the decision will restrict the ability to transfer personal data from the EU/EEA to the U.S. and the Group may, in addition to other impacts, experience additional costs associated with increased compliance burdens, and the Group and its customers face the potential for regulators in the EU/EEA to apply different standards to the transfer of personal data from the EU to the U.S., and to block, or require ad hoc verification of measures taken with respect to, certain data flows from the EU to the U.S.

As at the date of this Prospectus, the Group's transfer of personal data to countries outside the EU/EEA such as the U.S., is subject to the EUs Standard Contractual Clauses for transfers of personal information (which are still valid following Schrems II). However, failure to comply with the Schrems II judgement, including a situation in which the decision result in restricted ability to transfer personal data from the EU/EEA to the U.S. also under EUs Standard Contractual Clauses, could result in users and customers not being able to, or reluctant to, use the products and services offered by Kahoot! if the Group in a timely manner is not able to establish adequate basis for continued transfer of personal data to the U.S. The Group may also be subject to governmental enforcement actions and may incur civil or criminal liability in case of infringement of Data Protection Laws and other applicable law potentially affecting the Group's reputation and brands negatively, which may affect the Group's business, results of operations, financial condition, cash flow and prospects.

### *2.2.4 The Group may be subject to claims and legal proceedings, including intellectual property right disputes*

As an educational technology business that provides an online learning platform to its end-users, the Group may be party to various legal proceedings that arise in the ordinary course of its business, including intellectual property rights disputes. In particular, Kahoot!'s international operations expose the Group to differences in foreign trademark, trade dress, copyright and other laws concerning proprietary rights and the degree of protection. In the U.S, there is a particular risk associated with so-called patent trolls, also known as "patent monetizers" or "non-practicing entities" ("**NPEs**"), which are entities whose core activity involves asserting patents against other companies, without making a useful product of their own, with the sole purpose of litigating in court. The favorable economics of patent lawsuits in the U.S. have allowed such NPEs to extract settlements and licensing fees from companies, regardless of the merits of their infringement claims.

Whether or not the Group ultimately prevails, legal disputes are costly and can divert the Group's management's attention from the Group's other business operations. Settling is generally more cost-effective for companies than litigation and the Group may decide to settle such legal dispute, which could cause the Group to incur significant costs. Generally, a growing presence in the U.S. enhances this litigation risk and there can be no assurance that claims of this nature will not be brought before the courts. For example, the Company's subsidiary, DragonBox, has as at the date of this Prospectus an ongoing disagreement with the heirs of a former consultant of DragonBox regarding the validity and content of agreements concerning assignment of intellectual property rights previously developed by the consultant. Please see Section 6.16 "Legal proceedings" below for a more detailed description of the claims and legal proceedings that involves the Group. A settlement or an unfavorable outcome in such disagreements or in a legal dispute could have an adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.

### *2.2.5 Laws and regulations could hinder or delay the Group's operations, increase the Group's operating costs and reduce demand for its services*

Changes in laws and regulations applicable to the Group could increase compliance costs, mandate significant and costly changes to the way the Group implements its services and solutions, and threaten the Group's ability to continue to serve certain markets. For instance, the implementation of new data privacy protection laws in Europe from May 2018 (which entered into force in Norway in July 2018) incurred additional compliance and other costs for the Group. As regards the Group's operations in the U.K., it is still uncertain how the data transfer to and from the U.K. will be regulated post withdrawal of the U.K. from the EU ("**Brexit**"). It is possible that these laws are interpreted or applied in a manner that is adverse to the Group or otherwise inconsistent with the Group's current practices, which could result in litigation, potential legal liability or oblige the Group to change its practices in a manner adverse to its business by imposing new burdensome requirements or limit or restrict such current practices. Non-compliance with such new legislation could lead to the Group's reputation being harmed, substantial costs being incurred and paid subscriptions being lost or not renewed. If such risks materialize, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.

#### *2.2.6 Changes in tax laws of any jurisdiction in which the Group operates, or any failure to comply with applicable tax legislation may have a material adverse effect for the Group*

The Group is subject to prevailing tax legislation, treaties and regulations in the jurisdictions in which it is operating, and the interpretation and enforcement thereof. The Group manages its operations through offices in Norway, the U.S., the U.K., France, Finland, Estonia, Denmark and Spain. Operations are conducted in accordance with the Group's interpretation of applicable tax laws, tax treaties and regulations in the relevant countries and the requirements of the relevant tax authorities. Should the Group's interpretation of applicable laws, tax treaties and regulations, e.g. regarding how indirect taxation on sales in jurisdictions outside of the EU should be handled, turn out to be incorrect, or if the relevant authorities make different interpretations or decisions, possibly with retroactive effect, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects. The activities of Kahoot! UK and Kahoot! U.S. have historically been financed by intercompany loans from the Company and the Group's sales revenue relating to the Kahoot! platform is received by the Company only. If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries, or if taxing authorities do not agree with the Group's and/or any subsidiaries' assessment of the effects of applicable laws, treaties and regulations, or if the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, the Group's effective tax rate on its earnings could increase substantially and the Group's business, earnings and cash flows from operations and financial condition could be materially and adversely affected.

#### *2.2.7 Reclassification of a significant number of the Group's consultants to employees or a determination that the Group's consultants or contractors shall be entitled to receive consideration as employees could increase the Group's operating costs and may have a negative effect on the Group's result of operations*

The Group engage a significant number of consultants in the jurisdictions in which it operates through agencies and on an individual contractor basis to support its operations primarily in the areas of sales and support, and product and engineering. The Group's consultants are engaged to accommodate the Group's specific need for assistance, and are in certain cases engaged for a long period of time and sometimes for an indefinite period.

The use of consultants are subject to prevailing laws in the jurisdictions where the consultants are engaged and in many EU jurisdictions, such as Norway, Denmark and Estonia, where the Group engage the majority of its consultants and contractors, such consultants may, subject to a claim by the consultant and pursuant to applicable employment legislation, be considered to have established an employee relationship with its principal in lieu of the consultancy arrangement in place, which is also known as a reclassification of the engagement. In such cases, the principal will be required to contribute pension, holiday pay, social security contribution and taxes in respect of the reclassified employee. Should a significant number of the Group's consultants claim a reclassification of their engagement, this could result in increased operating costs for the Group which in turn may have a material and adverse effect on the Group's result of operations and prospects.

### 2.3 Risks related to financing and market risk

#### *2.3.1 The Group's profitability, operating results and working capital may fluctuate significantly*

The Group's subscription-based revenues from automated sales are relatively stable in the short-term (disregarding foreign currency exchange fluctuations), but may vary over the long-term because of the novelty and dynamics of the industry and markets in which the Group operates. The Group's prepaid subscription-based revenues may therefore fluctuate significantly, as they are being generated and invoiced on an annual basis following the billing cycle. Furthermore, as part of the Group's growth strategy, the Group may carry out acquisitions of other businesses, thereby increasing the Group's capital investments and impacting the Group's working capital in the short term. Thus, the Group's results of operations and working capital may fluctuate significantly on an interim and on an annual basis, which could have a material adverse effect on the Group's business.

### *2.3.2 Fluctuations in exchange rates could adversely affect the Group's cash flow and financial condition*

For the financial years up to and including 2019, the Group presented its financial statements in NOK. From and including the financial year 2020, the Group will present its financial statements in USD. The Group operates in Norway, the U.S., the U.K., France, Finland, Estonia, Denmark and Spain and has costs denominated in local currencies with a major part of the Group's revenues in USD. With different functional currencies, the Group will be exposed to currency gains and losses on debt and receivables between the Group companies resulting from the value of the USD relative to the Group's other functional currencies, which will affect its reported profit or loss for the respective reporting period. The Group currently does not have any currency hedging arrangements in place to limit the exposure to exchange rate fluctuations. Any fluctuations in exchange rates between currencies including NOK, DKK, USD, EUR, and GBP could materially and adversely affect the Group's business, results of operations, financial condition, cash flow and prospects. To the extent that the USD strengthens against one or more of the foregoing currencies for a particular reporting period, the translation of that currency or currencies into USD would have a negative impact on the Group's statement of income and statement of financial position. The Group has during the last three financial years experienced significant fluctuations in the exchange rates where, for example, the value of the USD to NOK has ranged from 7.6579 at the lowest in 2018 to 11.4031 as the highest in 2020.

### *2.3.3 The Group is exposed to risk relating to impairment of intangible assets, including goodwill*

As of 31 December 2020, the Company's consolidated non-current assets amounted to approximately USD 115,692 thousand which constituted 30.6% of the Group's total assets, including USD 77,745 thousand in goodwill. Goodwill acquired in a business combination is not amortized pursuant to IFRS, but is tested for impairment annually, if an event or circumstance indicates that an impairment loss may have been incurred. The key assumption affecting the present value of cash flows is the development of the net sales (expected growth rate), profitability, the discount rate and the growth rate. In impairment testing, the discounted present value of the recoverable cash flows of the cash-generating unit is compared to the unit's underlying value. If the present value of a cash generating units cash flows is lower than its carrying value, the difference is recorded as an expense in the income statement for the current financial year. Even though the estimates and assumptions used, which are based on the view of management in each subsidiary, are sufficiently accurate to determine the recoverable amount of goodwill, the estimated recoverable amount may differ significantly from the actual future amounts. Changes in the development of the net sales (expected growth rate), profitability, the discount rate and the cash flow growth rate, forecasts or a combination of these factors, could lead to impairment losses on goodwill, which could weaken the Group's financial conditions, results of operations, equity and/or its ability to pay dividends or distributions. If the value of intangible assets, including goodwill, is impaired, it could have an adverse effect on the Group's results of operations, financial condition, equity and/or its ability to pay dividends or distributions.

## 2.4 Risks related to the Listing and the Shares

### *2.4.1 Future issuances of Shares or other securities could dilute the holdings of existing shareholders and could materially affect the price of the Shares*

As at the date of this Prospectus, there are 20,081,975 outstanding options and 23,112 RSUs which upon exercise will require issuance of new Shares in the Company. Since the outstanding options have been granted at different stages during the Company's development, the exercise price of such options varies significantly and the conversion of such options into new Shares could thus dilute the holdings of existing shareholders in the Company.

The Company may in the future decide to offer additional Shares or other equity-based securities in order to finance its ongoing operations or new capital-intensive projects, or in connection with unanticipated liabilities, regulatory requirements or expenses or for any other purpose which requires additional funding of the Group. Furthermore, the Company may when pursuing non-organic opportunities decide to finance future acquisitions of new companies by offering new Shares or other equity-based securities in the Company. In connection with the Company's acquisitions of Poio, DragonBox, Actimo, Drops and Whiteboard, a part of the consideration paid to the previous owners was settled by issuance of new Shares.

In relation to the Company's acquisitions of Actimo, Drops and Whiteboard, a part of the consideration payable is performance based and will in part be settled by issuance of new Shares in the Company. With respect to the acquisition of Drops, the performance based consideration is subject to a minimum level which will require the Company to issue new Shares and which will result in a dilution of the holdings of existing shareholders in the Company. In this respect, the Board of Directors resolved on 12 February 2021 to issue in total 121,618 new Shares based on Drop's achievement for the financial year ended 31 December 2020. Furthermore, if and when the conditions for payment of the performance based consideration in relation to the acquisition of Actimo, and the higher levels of the performance based consideration in relation to the acquisition of Drops, are satisfied, the issuance of new Shares could dilute the holdings of existing shareholders in the Company.

Depending on the structure of any future offerings, holding and voting interests of existing shareholders could be diluted and the market price of the Shares could be materially and adversely affected.

#### *2.4.2 Investors may be unable to exercise their voting rights for Shares registered in a nominee account*

As of the date of this Prospectus, approximately 43% of the Company's Shares are registered on nominee accounts, which constitutes a significant number of the Shares. Following the Listing on the Oslo Stock Exchange, the Company expects an increase of the number of international shareholders and thus, an increase of the number of Shares registered on a nominee account. Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to any General Meeting. There is no assurance that beneficial owners of the Shares will receive the notice of any General Meeting in time to instruct their nominees to either effect a re-registration of the beneficial interests registered in the VPS or otherwise instruct the VPS Registrar to vote their Shares in the manner desired by such beneficial owners.

#### *2.4.3 Future sales, or the possibility of future sales of substantial numbers of Shares could affect the Shares' market price*

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market following Listing, particularly by any of the Company's largest shareholders, members by the Board of Directors or the Executive Management, or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate.

## 3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Listing of the Shares on the Oslo Stock Exchange.

The Board of Directors of Kahoot! ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus contains no omission likely to affect its import.

17 March 2021

**The Board of Directors of Kahoot! ASA**

Harald Arnet
*Chairperson*

Sindre Svendsen Østgård
*Board member*

Stefan Blom
*Board member*

Lori Wright
*Board member*

Joanne Bradford
*Board member*

# 4 GENERAL INFORMATION

## 4.1 Other important investor information

This Prospectus has been approved by the Norwegian FSA, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Prospective investors should make their own assessment as to the suitability of investing in the securities.

The Company has furnished the information in this Prospectus. Neither the Company nor any of its affiliates, representatives and advisors are making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares. Each prospective investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on the Oslo Stock Exchange, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Listing other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or any of its affiliates, representatives or advisers.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk factors" beginning on page 9.

## 4.2 Presentation of financial and other information

### *4.2.1 Historical financial information*

For the financial years up to and including 31 December 2019, the Company prepared its consolidated financial statements in accordance with Norwegian Generally Accepted Accounting Principles ("**NGAAP**"), the Norwegian Accounting Act of 17 July 1998 no 56 (the "**Norwegian Accounting Act**") and the Norwegian Accounting Standard Board (*Nw.: Norsk Regnskapsstiftelse*) standard no. 8 (good accounting practice for small businesses) (*Nw.: Norsk Regnskaps Standard nr 8, God regnskapsskikk for små foretak)* ("**NRS no. 8**").

The Company's consolidated financial statements for the financial year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). Going forward, the Company will continue to prepare its consolidated financial statements in accordance with IFRS.

In connection with the Listing, the Company has restated its consolidated financial statements for the financial years ended 31 December 2019 and 2018, which were prepared in accordance with NGAAP, the Norwegian Accounting Act and NRS no. 8 to comply with IFRS. The Company's financial statements as of and for the financial years ended 31 December 2020, 2019 and 2018 prepared in accordance with IFRS are hereinafter referred to as the "**Annual Financial Statements**". The Annual Financial Statements are attached to this Prospectus as Appendix B.

The Annual Financial Statements are presented in USD (presentation currency).

The Annual Financial Statements have been audited by Deloitte AS ("**Deloitte**"), as set forth in their reports included therein. There are no qualifications or emphasis of matter set out in the reports prepared by Deloitte.

### *4.2.2 Pro forma financial information*

In addition to the Annual Financial Statements, the Company has included unaudited pro forma condensed financial information (the "**Unaudited Pro Forma Condensed Financial Information**") in this Prospectus to illustrate how the Company's acquisitions of each of Actimo and Drops (as further described in Section 11.1 "Introduction" below) could have affected the Company's profit and loss account as included in the consolidated financial statements for the financial year ended 31 December 2020 as if each of the transactions had taken place on 1 January 2020. The Company has not included separate unaudited pro forma condensed financial information for the Company's consolidated balance sheet as at 31 December 2020 as both Actimo and Drops were acquired prior to 31 December 2020, and hence the Company's consolidated balance sheet as of 31 December 2020 reflect the aforementioned acquisitions.

The Unaudited Pro Forma Condensed Financial Information is presented for illustrative purposes only and does not purport to represent what the Company's actual financial statements would have been had each of the transactions occurred on the relevant dates. The Unaudited Pro Forma Condensed Financial Information does not include all of the information required for financial statements prepared in accordance with IFRS and the Unaudited Pro Forma Condensed Financial Information should be read in conjunction with the Annual Financial Statements and related notes.

Deloitte has issued an independent assurance report of the Unaudited Pro Forma Condensed Financial Information included as Appendix C to this Prospectus. There are no qualifications or emphasis of matter set out in the report prepared by Deloitte.

See Section 11.3 "Basis for preparation" for further information about the basis for preparation of the Unaudited Pro Forma Condensed Financial Information.

#### *4.2.3 Alternative performance measures (APMs)*

In order to enhance prospective investors' understanding of the Group's performance, the Group presents certain measures and ratios in this Prospectus that might be considered as alternative performance measures ("**APM**") as defined by the European Securities and Markets Authority ("**ESMA**") in the ESMA Guidelines on Alternative Performance Measures 2015/1057. These APMs includes invoiced revenue ("**Invoiced Revenue**"), Annual Recurring Revenue ("**ARR**"), Monthly Recurring Revenue ("**MRR**"), EBITDA and EBITDA Margin. Please see below for a further description of the APMs used in this Prospectus.

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in IFRS. The Group uses APMs to measure operating performance and is of the view that the APMs provide prospective investors relevant and specific operating figures which may enhance their understanding of the Group's performance.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and these measures should not be considered to be alternatives to: (a) revenue or profit/loss for the period, as a measure of the Group's operating performance, or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results, nor are these measures meant to be predictive of the Group's future results. The Company believes that the APMs presented herein are commonly reported by companies in the markets in which it operates and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending upon measures, business practice or external and non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods. Since companies may present APMs differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The following terms are used by the Group in the definition of APMs in this Prospectus:

- **Invoiced Revenue**: Is defined as the amount invoiced to customers in the relevant period. Invoiced Revenue is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of revenue generation in the Group's operating activities.

- **Monthly Recurring Revenue or "MRR"**: Is defined as the Company's consolidated recurring revenue for a month. MRR is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of revenue generation in the Group's operating activities.

- **Annual Recurring Revenue or "ARR"**: Is defined as MRR for the applicable month multiplied by twelve. ARR is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of revenue generation in the Group's operating activities.

- **EBITDA**: Is defined as the profit/(loss) for the year before net financial income (expenses), income tax expense, depreciation and amortization. EBITDA is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **EBITDA Margin**: Is defined as EBITDA as a percentage of revenues. EBITDA Margin is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **Adjusted EBITDA**: Is defined as EBITDA adjusted for special operating items. Special operating items are material expenses and other material transactions of either a non-recurring nature or special in nature compared to ordinary operational income or expenses and include adjustments for share-based compensation expenses and related payroll taxes, acquisition-related expenses and listing cost preparations. Adjusted EBITDA is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **Adjusted EBITDA Margin**: Is defined as Adjusted EBITDA as a percentage of revenues. Adjusted EBITDA Margin is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

Below is a reconciliation of Invoiced Revenue, EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin for the Company on a consolidated basis as of and for the financial years ended 31 December 2020, 2019 and 2018, in all cases including the relevant eliminations.

| *In USD thousand* | | **Years ended 31 December** | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| **Revenue from contracts with customers** | **30,859** | **8,464** | **1,775** |
| Revenue invoiced, but not recognised | 14,421 | 4,577 | 1,705 |
| **Invoiced Revenue** | **45,280** | **13,041** | **3,480** |

| *In USD thousand* | | **Years ended 31 December** | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| **Profit/(loss) for the year** | **(34,481)** | **(12,475)** | **(13,023)** |
| Income tax | (656) | (44) | - |
| Net financial income (expenses) | 16,619 | 133 | (18) |
| Depreciation and amortization | 2,582 | 1,666 | 1,066 |
| **EBITDA** | **(15,936)** | **(10,721)** | **(11,975)** |
| Adjusted for: | | | |
| - Share-based payments | 3,069 | 524 | 534 |
| - Social security tax share-based payments | 14,211 | 3,257 | 1,679 |
| - Actimo transaction costs | 266 | - | - |
| - Drops transaction costs | 275 | - | - |
| - DragonBox transaction costs | - | 206 | - |

| *In USD thousand* | Years ended 31 December | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| - Poio transaction costs | - | 141 | - |
| - Listing costs | 453 | - | - |
| **Sum adjustments** | **18,273** | **4,128** | **2,213** |
| **Adjusted EBITDA** | **2,337** | **(6,593)** | **(9,762)** |

| *In USD thousand* | Years ended 31 December | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| **EBITDA** | **(15,936)** | **(10,721)** | **(11,975)** |
| Divided by: | | | |
| Total revenue and other operating income | 31,034 | 8,464 | 1,941 |
| **EBITDA Margin** | **(51.4)%** | **(126.7)%** | **(617.0)%** |

| *In USD thousand* | Years ended 31 December | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| **Adjusted EBITDA** | **2,337** | **(6,593)** | **(9,762)** |
| Divided by: | | | |
| Total revenue and other operating income | 31,034 | 8,464 | 1,941 |
| **Adjusted EBITDA Margin** | **7.5%** | **(77.9)%** | **(502.9)%** |

#### *4.2.4 Industry and market data*

In this Prospectus, the Company has used industry and market data from independent industry publications and market research. These include Global Market Insights ("**GMI**") and other publicly available information. GMI is a global market research and management consulting company that, inter alia, provide research reports that are designed to provide granular quantitative information, combined with key industry insights, aimed at assisting sustainable organisational development. In connection with the Listing, the Company has purchased access to a research report named "E-learning Market Report, 2026" prepared by Market Global Insights. The Company has obtained consent from GMI to use data provided in the research report in this Prospectus.

While the Company has compiled, extracted and reproduced industry and market data from external sources, the Company has not independently verified the correctness of such data. Unless otherwise indicated, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Company may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position in the future is based on the Company's own assessment and knowledge of the potential market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified, however, source references to websites shall not be deemed as incorporated by reference to this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Company cautions readers not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, readers should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

#### *4.2.5 Other information*

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**USD**" are to the lawful currency of the United States, all references to "**GBP**" are to the lawful currency of the United Kingdom and all references to "**EUR**" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency.

#### *4.2.6 Rounding*

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

#### *4.2.7 Exchange rates*

The table below sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per USD, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

| Financial year | Average | High | Low | Period end |
|---|---|---|---|---|
| 2016 | 8.3987 | 8.9578 | 7.9766 | 8.6200 |
| 2017 | 8.2630 | 8.6781 | 7.7121 | 8.2050 |
| 2018 | 8.1338 | 8.7631 | 7.6579 | 8.6885 |
| 2019 | 8.8037 | 9.2607 | 8.4108 | 8.7803 |
| 2020 | 9.4004 | 11.4031 | 8.5326 | 8.5326 |

The table below sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per GBP, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

| Financial year | Average | High | Low | Period end |
|---|---|---|---|---|
| 2016 | 11.3725 | 13.1030 | 9.9620 | 10.6130 |
| 2017 | 10.6386 | 11.2474 | 9.9946 | 11.0910 |
| 2018 | 10.8463 | 11.1242 | 10.5792 | 11.1213 |
| 2019 | 11.2307 | 12.1113 | 10.6235 | 11.5936 |
| 2020 | 12.0514 | 13.3162 | 11.5332 | 11.6462 |

The table below sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per EUR, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

| Financial year | Average | High | Low | Period end |
|---|---|---|---|---|
| 2016 | 9.2899 | 9.7085 | 8.9175 | 9.0863 |
| 2017 | 9.3271 | 9.9738 | 8.8070 | 9.8403 |
| 2018 | 9.5962 | 9.9738 | 9.4145 | 9.9483 |
| 2019 | 9.8527 | 10.2748 | 9.5578 | 9,8638 |
| 2020 | 10.7207 | 12.3165 | 9.8315 | 10.4703 |

The table below sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in hundred NOK per hundred DKK, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

| Financial year | Average | High | Low | Period end |
|---|---|---|---|---|
| 2016 | 124.78 | 130.07 | 119.83 | 122.22 |
| 2017 | 125.39 | 133.97 | 118.48 | 132.18 |
| 2018 | 128.75 | 133.57 | 126.26 | 133.22 |
| 2019 | 131.97 | 137.54 | 128.30 | 132.02 |
| 2020 | 143.82 | 164.81 | 131.56 | 140.71 |

### 4.3 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. They appear in the following Sections in this Prospectus, Section 5 "Dividends and dividend policy", Section 6 "Business of the Group", Section 7 "Industry and market overview" and Section 10 "Operating and financial review", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates, such as but not limited to the Group's expansion in existing and entry into new markets in the future.

Prospective investors are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry and potential market in which the Group may operate in the future, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- The Group's failure to properly implement its strategy and failure to reach its strategic objectives, including to grow the number of users and paying subscribers of the Group's offerings;
- The competitive nature of the business the Group operates in and the competitive pressure and changes to the competitive environment in general, including the technological changes and new products and services that are introduced into the Group's markets and industry;
- The Group's failure to properly integrate acquired companies and future potential acquired companies;

- The Group's failure to attract, retain and motivate qualified personnel;
- The Group may be subject to cyber-crime, and the Group's IT systems and infrastructure may experience system failure, effects or errors;
- The Group may be involved in legal proceedings relating to infringement of intellectual property rights; and
- The Group may experience a damage of its reputation and business relationships.

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "Risk factors".

The information contained in this Prospectus identifies additional factors that could affect the Group's financial position, operating results, cash flows, liquidity and performance. Prospective investors are urged to read all Sections of this Prospectus for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

# 5 DIVIDENDS AND DIVIDEND POLICY

## 5.1 Dividend policy

The Company will strive to follow a dividend policy favourable to the shareholders. The amount of any dividend to be distributed will be dependent on, inter alia, the Company's investment requirements and rate of growth. The Company is in a growth phase and is not planning to pay any dividends for the next few years. Also, after the period the Company is not planning to pay any dividends, there can be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the Company's prevailing dividend policy in place at the time.

The proposal to pay a dividend in any year is, in addition to the legal restrictions set out in Section 5.2 "Legal constraints on the distribution of dividends", further subject to any restrictions in the Company's borrowing arrangements or other contractual arrangements in place at the time. As at the date of this Prospectus, the Company is not party to any borrowing arrangement or other contractual arrangement that restricts payment of dividends.

Further, the tax legislation of an investor's Member State and of the Company's country of incorporation (Norway) may have an impact on the income received from the Shares, see Section 16 "Taxation".

The Company has not paid any dividends on its Shares during the financial years ended 31 December 2020, 2019 and 2018.

## 5.2 Legal constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Public Limited Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).

- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Public Limited Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the General Meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Companies Act do not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 16 "Taxation".

### 5.3 Manner of dividend payments

The Company's equity capital is denominated in Norwegian kroner and all dividends on the Shares will therefore be declared in Norwegian kroner. As such, investors whose reference currency is a currency other than the Norwegian krone may be affected by currency fluctuations in the value of the Norwegian krone relative to such investor's reference currency in connection with a dividend distribution by the Company. Any future payments of dividends on the Shares to shareholders will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through the VPS Registrar. Shareholders registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or *in lieu* of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

# 6 BUSINESS OF THE GROUP

## 6.1 Introduction to Kahoot!

Kahoot! is a global educational technology (EdTech) and enterprise software as a service (SaaS) company that develops a digital learning and engagement platform (the "**Kahoot! platform**"). The Group has a comprehensive offering of engaging tools for all kinds of learning and audience interaction that is used in schools and universities as well as in business and in any social and learning context, whether in person or virtually.

Since the launch of the Kahoot! platform in 2013, Kahoot! has developed from originally offering a game-based learning platform that made it easy to create, share and play learning games or trivia quizzes to its current state of operations where the Group expands its offerings into new areas by developing products and services within interactivity and engagement, including offerings to support corporate culture, team building and training, meetings and events, audience interaction and communications.

Kahoot!'s mission is to make learning awesome and Kahoot!'s vision is to become the world's leading learning platform. The Group's strategic focus is to continuously improve the value proposition within its product offerings and accelerate user growth, engagement and number of paid subscriptions. The Group pursues both an organic and a non-organic route to develop a steadily more comprehensive and synergetic offering of products and tools to all users of the Kahoot! platform.

The Group's commercial operations are to sell access to the Kahoot! platform through subscriptions, and the Group's business is focused around three main categories of user groups where the users are offered a tailored product and content offering; (i) "Kahoot! at Work", created for businesses and corporations to transform learning in the workplace by empowering every employee to create, play and share engaging learning experiences and to add engagement and reinforce learning during training, presentations and events, (ii) "Kahoot! at School", created to make learning awesome for teachers and students all the way from kindergarten to higher education, and which enables teachers and educators to leverage the Kahoot! platform to increase student engagement and conduct formative assessment and (iii) "Kahoot! at Home", created to ensure playful learning in social settings and enabling parents to connect and take an active part in their children’s education. In addition, embedded in the Kahoot! platform is also "Kahoot! Academy", which was launched in the second quarter of 2020 and which was the Group's first initiative to introduce premium content to the Kahoot! platform that has been developed by the Group's partners and verified teachers in order to further enhance the quality and breadth of the content on the Kahoot! platform.

The basic version of the Kahoot! platform is available for free on a global basis. In 2018, the Group launched its first commercial editions to the Kahoot! platform which made additional functionalities available for subscribers within all categories of user groups.

During 2020, the Kahoot! platform had 1.5 billion non-unique players in more than 200 countries worldwide and recorded more than 24 million active accounts, whereof more than 7 million were teachers and other educators. Kahoot! had more than 550 thousand paid subscriptions for professionals, teachers and personal use as of 31 December 2020 (excluding active users of Actimo). In 2020, more than 100 million users generated Kahoots and more than 250 million games were played.

The Company is headquartered in Norway and has offices in the United States, United Kingdom, France, Finland, Estonia, Denmark and Spain. The Group's products and tools are available globally via the Kahoot! web-site and mobile application stores of Apple and Google.

## 6.2 The Group's competitive advantages and key strengths

The Executive Management believes that the combination of the Kahoot! platform with the Group's competitive advantages and key strengths including a scalable cloud-based technology platform supported by a viral distribution model, globally recognized and trusted brand across all user groups, user-centric, data-driven and iterative product development and innovation, benefiting from a large market opportunity, clear progress on profitable growth path with positive cash flow from operations and solid funding for strategic partnerships and non-organic growth opportunities underpin a highly differentiated competitive position for Kahoot!.

### *6.2.1 Scalable cloud-based technology platform supported by a viral distribution model*

Kahoot!'s platform is powered by scalable cloud-based technology that enables Kahoot! to scale its business without significant investments in infrastructure and thereby devote more resources to the continuous improvement of its offerings. The scalable cloud platform benefits from a viral distribution model, which allows the Group to promote the

Kahoot! platform through its user groups without significant paid marketing and advertising. Almost all new accounts registered as users of the Kahoot! platform are coming from direct engagement with existing users of the Kahoot! platform and interaction of new users with Kahoot!'s platform and its content, which in turn promotes the platform to these new users.

The viral distribution model is reinforced by the user- and partner-generated nature of Kahoot!'s content. A user creating a new game, quiz or other challenge on Kahoot! can do it from scratch or leverage 50 million games, quizzes and challenges created by other users in the past by modifying them. The ability of users to create their own content and tailor it to their needs is driving enhanced user excitement and engagement, accelerates product adoption and increases retention of users. A user can also add content from several key partners of Kahoot! including organisations such as Disney, Microsoft, Google, Apple and publishers such as National Geographic, Britannica and Cambridge University Press. Through these partnerships, Kahoot! provides its users with premium learning content created by the partners that is available in classrooms and at home, while allowing the partners to access millions of Kahoot! users and increase popularity of their content.

The scalable and viral nature of Kahoot!'s platform is evidenced by the growth experienced by the Group, in particular over the last three years. To illustrate, it took the Group until 2016 to reach 1 billion cumulative non-unique players, while the number of cumulative non-unique players reached 3 billion in 2019 and further increased to 5 billion in 2020.

The combination of the scalable cloud platform, viral distribution model and user- and partner-generated content provides the Group with the differentiating capability to scale at comparatively low marketing expenses and implement an active approach to strategic partnerships and non-organic growth.

### *6.2.2 Globally recognized and trusted brand across all user groups*

Kahoot!'s global brand recognition and reputation have been essential to the viral distribution model and constitute one of the Company's key strengths as demonstrated by 24 million active accounts and 1.5 billion participating non-unique players who played 250 million games and generated over 100 million Kahoots during 2020.

The Group has been active since 2012 and its presence in its key markets of North America and Europe, in addition to other geographies since that time, has led to what the Group believes is a broad acceptance of and trust in Kahoot! offerings among educators and increasingly among corporate customers. During 2020, more than 7 million teachers globally embraced Kahoot!'s solutions to engage students in classrooms, for homework and during virtual lessons as students responded with enthusiasm to the integration of fun and interactive tools to their regular learning activity and as the forever free approach generated strong sympathy among especially younger user groups. The popularity of the Kahoot! platform is not only limited to K-12 teachers and students. Approximately 85% of the Times Higher Education Top 500 World universities[1] are using Kahoot! and over 10 thousand educational institutions have already deployed multi-user Kahoot! teacher licences. Beyond that, the breadth and versatility of Kahoot! products are increasingly driving high brand awareness among enterprises, with 97% of the Fortune 500 companies using Kahoot![2], as the platform provides tools to organisations to foster their culture and engage with their workforce.

As the Company expands organically and through strategic partnerships and non-organic growth, the ability to build upon a globally recognized and trusted brand is integral to agilely acquire new users, up-sell paid subscriptions to existing users and retain both users and subscribers.

### *6.2.3 User-centric, data-driven and iterative product development and innovation*

Kahoot! develops user-centric and easy to adopt and use products with basic features provided for free and premium features provided under a subscription. Early in its history, Kahoot! committed to providing basic free products to teachers and others users forever and has continued to be true to that statement. The functionality of Kahoot!'s products can be expanded with premium features normally available under annual subscription. The Company has been successful in converting its free users into paid subscription over the years and there is further opportunity as subscription penetration remains low. Kahoot! had 24 million active accounts during 2020 and more than 550 thousand paid subscriptions as of 31 December 2020 (excluding active users of Actimo). Kahoot! expects to continue expanding and

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[1] Source: The Times Higher Education World University Rankings (2020). Users associated with these universities include both free users and paying subscribers.

[2] Source: Fortune 500 companies is an annual list compiled and published by Fortune magazine that ranks 500 of the largest United States corporations by total revenue for their respective fiscal years. Users associated with these companies include both free users and paying subscribers.

aims to add more than three million new active accounts annually during the next three years, introducing new free and premium tools and features and increasing conversion of accounts into paid subscriptions.

The Company continuously improves its services' functionality, user interface and experience for all user groups by leveraging feedback from and data generated by millions of users. The Company has recently released a series of new subscription-based products, including Kahoot! EDU and Kahoot! Academy. Kahoot! EDU is a new scalable offering that helps administrators and school leaders bring an enhanced Kahoot! experience to their entire institution. Kahoot! Academy is a knowledge platform, online community and marketplace that allows users access to high-quality learning content and join various topics-based communities. The Company believes that development of such new offerings is instrumental in continuously increasing its ratio of paid subscriptions to total active accounts.

### *6.2.4 Benefiting from a large market opportunity*

Through its versatile digital learning and engagement platform leveraging a scalable cloud-based platform supported by a viral distribution model, a globally recognized and trusted brand, and continuously improving services, Kahoot! is well positioned to benefit from a large market opportunity across its end markets.

Since the launch of the Kahoot! platform in 2013, the Group has witnessed a rise of mobile devices and high-quality mobile networks as well as a fundamental shift in how digital tools are used by companies, educational institutions and in social contexts as a result of trends influencing digital learning and engagement. The Covid-19 pandemic has cemented the Group's strong market position by driving a step change in digital adoption through mass adoption of new technologies for remote and blended working and learning.

On the back of these trends, the Company believes that it is still at an early stage in tapping into its end markets and hence benefits from opportunities for growth, considering low current penetration rates and comparably low levels of monetisation. To illustrate, only 2% of active accounts on the Kahoot! platform were paying a subscription as of 31 December 2020.

With a large and globally distributed user base, an expanded workforce, continuously improving services and increasing revenue and profitability, Kahoot! has the scale and resources necessary to capitalise on opportunities arising from its underpenetrated market across all user groups.

### *6.2.5 Clear progress on a profitable growth path with positive cash flow from operations*

The Group has been on a continued growth track since the launch of the Kahoot! platform in 2013. The Group has proven its ability to rapidly increase revenue and generate high cash conversion rates (defined as the percentage of Invoiced Revenue that is free cash flow), and demonstrates clear progress on a profitable growth path.

The Company's growth track record is evident through the growth of its user base and paid subscriptions which have driven revenue from contracts with customers to increase by 265% year-over-year from USD 8.5 million in 2019 to USD 30.9 million in 2020. At the same time, the Company has proven its ability to generate positive cash flows demonstrated by cash flow from operations of USD 17.4 million in the year ended 31 December 2020. As a result, the Company's had a compounded annual growth rate of active accounts of approximately 41% and total Invoiced Revenue of approximately 261% from the year ended 31 December 2018 to the year ended 31 December 2020, and a compounded annual growth rate of paid subscriptions of approximately 246% from the year ended 31 December 2018 to the year ended 31 December 2020. For the full financial year ending 31 December 2021, Kahoot!'s ambition is to reach USD 90 – 100 million in total Invoiced Revenue with continued solid positive cash inflow from operations.

The Kahoot! platform is expected to experience further growth, considering that, while the platform has already achieved critical scale, it is still in early innings in penetrating the market opportunity. In particular, future growth is expected to be driven by expanding the number of active accounts, increasing the number of paid subscription by adding more than 250 thousand new subscribers annually over the next three years (excluding subscriptions within the Kahoot! at Home user group), whereby Kahoot!'s ambition is to reach one million paid subscriptions by the end of 2021, through conversion of existing accounts and new paying subscribers and increasing subscription revenue from existing products and new products to be offered to all user groups.

As Kahoot! continues scaling its platform, the Company is well positioned to realise opportunities for profitable growth by leveraging its viral distribution model and comprehensive product offering as well as the low existing penetration rates in its markets coupled with comparably low levels of user base monetisation.

*6.2.6 Solid funding for strategic partnerships and non-organic growth*

Kahoot! is well-capitalised and has access to solid funding, as illustrated by its financial cash position of USD 256 million as of 31 December 2020. The Company's cash position is supported by positive cash flow generation capabilities as demonstrated by cash flow from operations of USD 17.4 million in the year ended 31 December 2020.

Kahoot!'s solid funding positions the Company well to pursue strategic partnerships and non-organic opportunities, such as the recent acquisitions of Drops, Actimo and Whiteboard. The scalability of the Kahoot! platform allows the implementation of an active approach to non-organic growth and the Company continuously evaluates complementary acquisition targets that can be added to its platform to either strengthen its existing product offering or expand into adjacent markets. During 2019, 2020 and the beginning of 2021, the Company has acquired five companies providing maths, reading and languages learning and corporate engagement products for a total consideration of approximately USD 109 million and thereby demonstrated its ability to successfully grow via acquisitions and integrate the products of acquired companies into its platform.

## 6.3 Strategy and strategic objectives

Since inception, Kahoot! has built a scalable cloud-based technology platform supported by a viral distribution model and a globally recognized and trusted brand across all user groups. The virial distribution model, whereby new users are activated through engagement of existing users, has enabled Kahoot! to grow rapidly with limited external marketing spend and dedicate its efforts on expanding the Kahoot! platform through continuous improvement of services. By improving the user experience of its platform, adding new free and premium tools and features, and investing in content through its content partner network, Kahoot! has been able to encourage more repeat and frequent usage for all user groups, across an increasing number of use-cases. This ability to improve an already positive user experience, expand platform functionality and consistently add high-quality content to the platform has enabled Kahoot! to fuel its viral distribution model, drive user engagement, increase its user base, and convert more customers from free users to paying subscribers.

Through organic growth initiatives, Kahoot! aims to surpass USD 200 million in Annual Recurring Revenue (ARR) by the end of 2023, and its medium to long-term ambition, which is not expressed for a specific financial period, is to achieve more than 40% in EBITDA Margin and a cash inflow from operations exceeding EBITDA. Key for achieving these goals is continued conversion of free users to paying subscribers. Kahoot! launched its first commercial subscriptions in 2018, and the Company's organic financial targets are within reach by successfully tapping into its existing user base. On top of that, Kahoot! intends to pursue value-creative strategic partnerships and non-organic growth to expand platform functionality further and maximize shareholder value in the long term.

*6.3.1 Increased product development to drive conversion rates*

6.3.1.1 Expanding the Kahoot! platform functionality

From starting out as a game-based learning platform that made it easy to create, share and play learning games or trivia quizzes, the Kahoot! platform has evolved into a complete ecosystem that cuts across a whole variety of use-cases. Tools for interactivity and engagement, offerings to support corporate culture, team building and training, audience interaction and communications are all a part of the current Kahoot! platform. As more tools and features have been added to the platform, Kahoot! has increasingly been able to bundle together different types of functionality and tools dedicated to different user groups (e.g. leaders, employees, students, teachers, IT administrators), ensuring a more widespread usage of the platform by allowing Kahoot! to tap into a larger part of an organisation. It has furthermore enabled Kahoot! to introduce price points, and subsequently increase the price of the different product offerings.

While a key success enabler historically has been to expand the Kahoot! platform with functionality to increase the footprint and stickiness of the platform, it has also been important to ensure that the platform integrates with the various user groups' existing tools and workflows. The Kahoot! platform therefore integrates with premium collaboration platforms such as Google Classroom, Microsoft Teams and Zoom (please see Section 6.5.6 "Additional accessibility to Kahoot!'s products and services through Kahoot! partnership integrations" and 6.6.3.1 "Platform integration partners" for further information). Adding and improving premium integrations will be important in improving the overall user experience of the platform, and a key focus area going forward.

6.3.1.2 Attractive platform for high-quality content partnerships

The primary source of content for the Kahoot! platform is user generated Kahoots. Access to high-quality content is an important part of the value proposition of the Kahoot! platform. Kahoot! is and will always be a platform company but have already strong partnerships with content partners that are building out the value proposition of the platform by contributing their high-quality content. Key current content partners include some of the largest publishing houses of the world, such as Cambridge University Press, United Nations, Disney and National Geographic. Kahoot! offers content partners direct access to 1.5 billion non-unique participating players over a twelve month period, which is a great opportunity for content partners to expose their brand and to engage with their target audience.

Kahoot! has several near-term initiatives that will increase the value proposition for content partners even further.

#### 6.3.2 *Expanding platform functionality and geographical footprint through strategic partnerships and non-organic growth*

Strategic partnerships and acquisitions remain a key component of Kahoot!'s growth strategy going forward, as it has expanded with the acquisitions of Poio, DragonBox, Actimo and Drops in the past, as well as the recently completed acquisition of Whiteboard. All previous acquisitions have been companies with positive brand association and a track-record of engaging its customer base, in addition to bringing new products and technologies to Kahoot!'s user base and providing new users and paid subscriptions to Kahoot!. Kahoot! will search for these traits when looking for acquisitions in the future. Kahoot! is continuously exploring the market with the intention to identify, assess and, if considered attractive, acquire companies that can be complementary from the technology and product perspective, while simultaneously being value accretive. While Kahoot! is a global company, it will also look for companies that strengthen its geographical footprint. The acquisition of Actimo strengthened the Company's employee engagement functionality and increased the Company's presence in Europe.

Kahoot! has executed four transactions over the last two years in addition to the recent acquisition of Whiteboard, primarily to expand the functionality of its platform, but also to expand the functionality beyond learning and training. Through these acquisitions, Kahoot! has acquired technological capabilities and enriched its digital learning and engagement platform and accelerated the time to market for certain parts of the current platform functionality. These features include gamified learning applications (DragonBox and Poio), language learning functionality (Drops), employee engagement capabilities (Actimo) and engaging learning tool (Whiteboard).

Kahoot! will acquire companies that hold innovative learning technologies that will expand the Kahoot! platform's existing learning functionality, or alternatively companies that will expand the platform functionality into new adjacent verticals. This will allow Kahoot! to support its vision of becoming the leading digital learning and engagement platform of the world, and to leverage the existing distribution network and further differentiate Kahoot!'s product offering. Regardless of transaction rationale, Kahoot! will only acquire companies with management teams that truly want to take part in the Kahoot! journey and become a member of the Kahoot! family. Assessing the importance of time to market for new products and features for the Kahoot! platform will be decisive when selecting acquisition targets for the future. The objective will nonetheless always be to maximize shareholder value.

For the avoidance of doubt, any effects from acquisitions of other companies/non-organic growth opportunities are not included in the Company's financial targets mentioned in above in this Section 6.3 "Strategy and strategic objectives".

### 6.4 History and important events

The table below shows the Group's key milestones from its incorporation and to the date of this Prospectus:

| Year | Event |
|---|---|
| 2011 | • Kahoot! was incorporated in December. |
| 2013 | • The private beta version of the Kahoot! platform was ready in March.<br>• The Kahoot! platform was launched as a free offering to the public in September. |
| 2015 | • Kahoot! reached 340 million cumulative non-unique players focusing on the United States and the education market. |
| 2017 | • The Kahoot! platform reached 1 billion cumulative non-unique players.<br>• The first content partners were introduced on the Kahoot! platform and Kahoot! participated in the Disney Accelerator program.<br>• Kahoot! introduced subscriptions to a limited group of corporate users in the second half of 2017. |
| 2018 | • The Kahoot! platform reached 2 billion cumulative non-unique players.<br>• Kahoot! built further commercial offerings for the corporate and educational markets, reaching 40 thousand paid subscriptions. |

| Year | Event |
|---|---|
| 2019 | • Kahoot! began offering commercial subscription editions for all categories of user groups, reaching 170 thousand paid subscriptions.<br>• Kahoot! acquired Poio on 21 August and DragonBox on 29 August.<br>• Kahoot! raised approximately USD 27 million though a private placement, and the Company's shares were admitted to trading on Euronext Growth Oslo (former Merkur Market). |
| 2020 | • Kahoot! expanded its commercial offerings in all categories of user groups, introduced the first embeddable service for publishers and launched its first platform service.<br>• Kahoot! raised approximately USD 28 million through a private placement of 7.5 million new shares with United States and Europe-based institutional investors.<br>• Kahoot! raised approximately USD 215 million through a private placement of 43 million new shares directed towards a subsidiary of SoftBank Group Corp.<br>• Kahoot! acquired Actimo on 5 October and Drops on 28 November.<br>• Kahoot! reached 5 billion cumulative non-unique players and more than 550 thousand paid subscriptions (excluding active users of Actimo). |

## 6.5 Description of Kahoot!'s products and services

### *6.5.1 Introduction to the Kahoot! platform*

The Kahoot! platform is a digital learning and engagement platform that includes a comprehensive set of tools and features that is used by businesses, schools, and individuals to strengthen engagement in any interactive, learning or social context. Since the launch of the Kahoot! platform in 2013, Kahoot! has developed from originally offering a game-based learning platform that made it easy to create, share and play learning games or trivia quizzes to its current state of operations where the Group expands its offerings into new areas by developing products and services within interactivity and engagement, including offerings to support corporate culture, team building and training, meeting and event engagement, audience interaction and communications. Kahoot!'s free use model provide access to the platform's most basic functionality and tools, but multiple subscriptions plans are available to engage users that would like access to additional, use-case specific functionality, premium tools and content, and engaging learning apps. Kahoot! is continuously improving the user experience of the platform by developing new attractive features to existing products and services, or through the development of new functionality and products. This section provides a comprehensive overview of the current tools, apps and features that are embedded into the Kahoot! platform.

### *6.5.2 Kahoot! at Work*

Kahoot! at Work is created for businesses and corporations to transform learning in the workplace by empowering every employee to create, play and share engaging learning experiences and to add engagement and reinforce learning and interactivity during training, presentations and events. Businesses and corporations use the Kahoot! platform to create interactive presentations and meetings by importing slides and adding audience participation features like polls and brainstorms, to gamify its training and onboarding, maintain audience focus and energy at events, and build a strong company culture.

Kahoot! at Work has different business subscription plans based on functionality and number of players per game. Kahoot! at Work's flagship subscription plan is Kahoot! 360, versions of which are available to both individual presenters and as a multiple license deployment for larger corporate users. Please see Section 6.5.2.1 "Kahoot! 360" for further details about Kahoot! 360.

Kahoot! at Work is used by organisations of all sizes – including 97% of the Fortune 500 companies.[3] Those hosting Kahoot! games at work are found in a broad range of business functions, including Learning & Development, HR, sales and operations.

#### 6.5.2.1 Kahoot! 360

Kahoot! 360 was launched in June 2020 as the next generation of corporate learning. Kahoot! 360 is a "blended learning" solution which supports instructor-led, virtual instructor-led and self-paced training, including training courses. Trainers have access to advanced analytics capabilities that enable them to track performance and development of all trainees,

[3] Source: Fortune 500 companies is an annual list compiled and published by Fortune magazine that ranks 500 of the largest United States corporations by total revenue for their respective fiscal years. Users associated with these companies include both free users and paying subscribers.

both individually and across teams, allowing them to target and adapt training for better employee retention. In addition, Kahoot! 360 uniquely offers all employees a self-directed learning experience and the ability to share their own expertise with others. For presentations and events, Kahoot! 360 allows presenters to easily create their own quizzes, polls, word clouds and open-ended questions as a memorable, interactive audience experience for up to 2,000 people. Further, Kahoot! 360 provides integration tools for use with third-party applications such as Zoom and Microsoft Teams. By being intuitive and simple to use and implement, Kahoot! 360 is a complete corporate learning tool for small and large organisations alike, while simultaneously meeting the security, privacy and data requirements often set out by corporations.

#### 6.5.2.2 Actimo

Following Kahoot!'s acquisition of Actimo in October 2020, the Actimo employee App has been included as part of the products and services offered by Kahoot! to the Kahoot! at Work user group. Actimo is an employee engagement platform that combines tools for communication, training and leadership into one integrated solution aiming to help companies drive corporate culture, employee engagement and make learning awesome. Businesses and organisations use Actimo's intuitive and customizable solution to share news, automate their pre- and onboarding, create mobile learning, provide guides and social groups for employees to feel connected and engaged, all through one branded employee App. With Actimo's real-time insights, managers and employees can track activities, learning progress, and engagement levels to take the right actions and improve their individual and organisation-wide performance.

Since 2012, Actimo has been a trusted partner for leaders and decision-makers in HR, communications and training in mid to large organisations in non-desk industries such as retail, facility management and hospitality with a portfolio of strong brands like Compass Group, Circle K, Samsung and ISS. Actimo currently serves more than 200 enterprise customers mainly in the Nordics, U.K. and partly Latin America, and there is considerable international growth potential in addressing the globally growing market for employee experience solutions.

### *6.5.3 Kahoot! at School*

Kahoot! at School is directed towards teachers and students at school and at higher education institutions world-wide. Kahoot! at School enables teachers to engage its students through distance learning features, playing in the class, and to assess student progression through in-game reports. In this product area, the Kahoot! platform allows teachers to either create their own bespoke Kahoots customised for their curriculum, or search from over 50 million public games, most of which are made by fellow teachers. The Kahoots can be played live in the classroom or assigned as homework for students to play on their own time. Subjects such as math, English and science are the most commonly played and sought-after subjects.

Students in higher educational institutions use the Kahoot! platform in a variety of ways. Kahoot! can be used to create impactful, gamified presentations that their fellow classmates play while presenting an assignment. Higher education students can typically also prepare for tests using Kahoot! as a study aid in order to help retain knowledge, although this use of the Kahoot! platform is available for all students on all levels.

Kahoot! at School is offered as a free version for both teachers and students, with the opportunity for teachers to upgrade to premium plans offering more functionality. Examples of such additional functions are the ability to collect instant feedback with polls, focus students with puzzles and image reveal, create personalised Kahoots for selected students, test comprehension by allowing multi-select answering and asking the students to type the answer, remove completion deadlines for answering, track class learning progress with reports, create interactive lessons by important slides, access to detailed lesson plans and host Kahoots for up to 2,000 players. The premium plans available for Kahoot! at School are "Pro", "Premium" and "Premium+".

Kahoot! at School is used by 87% of the global top 500 universities[4].

#### 6.5.3.1 Kahoot! EDU

Kahoot! EDU is a product that was launched in the second half of 2020, which equips IT administrators and school leaders with the tools and controls they need to structure and enhance the way Kahoot! is used inside their schools, districts or higher educational institutions. Currently, more than 10,000 educational institutions have deployed multiuser Kahoot! teacher licences, and Kahoot! EDU will enable these institutions to structure and deploy learning with much greater admin controls, and centralised, advanced assessment. The key advantages with Kahoot! EDU is that it engages

[4] Source: The Times Higher Education World University Rankings (2020). Users associated with these universities include both free users and paying subscribers.

students by giving them more ways to create Kahoots for assignments and to study with their peers, it empowers teachers by providing them with the full teaching toolkit that includes interactive lessons and advanced assessment, it offers IT admins greater control over who and how Kahoot! is used, enables tech integrations and it elevates school leaders by providing tools to foster a positive learning environment and to conduct professional development.

### *6.5.4 Kahoot! at Home*

Kahoot!'s mission for the Kahoot! at Home offering is to ensure playful learning in a social setting, and to enable parents to connect and take an active part in their children's education. Kahoot! at Home is offered as a free version for up to ten players, with the option to upgrade to a Kahoot!+ premium plan with additional functionalities. Examples of such additional functionalities are access to an image library and the ability to test comprehension by allowing multi-select answering and asking the participants to type the answer, increased number of players, reporting functionality, branded gameplay and access to ready-to-use premium Kahoots by renowned publishers. The Kahoot!+ premium plans available are "Kahoot!+ Home", "Kahoot!+ Family" and "Kahoot!+ Premier". Included in the "Kahoot!+ Family" and "Kahoot!+ Premier" premium plans are also access to Kahoot! Poio Read and DragonBox as further described below.

#### 6.5.4.1 Kahoot! Poio Read

Kahoot! Poio Read is a game-based reading learning tool that helps kids to learn how to read through play, and encourages exploration, entices curiosity and motivates kids. Kahoot! Poio Read is designed for kids in the age between three and eight, and the tool adapts to each learner's level and pace. Kahoot! Poio Read is primarily designed for home-study, but is in some cases used by educational institutions as well.

#### 6.5.4.2 DragonBox math Apps

The DragonBox math Apps consists of two applications; Kahoot! DragonBox Numbers which is developed to introduce kids to math with fun activities that explain what numbers are and how they work, and Kahoot! DragonBox Big Numbers which is developed to help kids understand long additions and subtractions through play and exploration. In addition to its digital games, DragonBox offers school classes a subscription which covers the full math curriculum for grade 1 – 3.

#### 6.5.4.3 Drops

Following Kahoot!'s acquisition of Drops in November 2020, the Drops products have been included as part of the products and services offered by Kahoot!. Drops teaches the essentials of language - alphabets and vocabulary – by combining engaging word puzzles with visual association. Drops has two companion applications, Scripts and Droplets, which are game based learning applications. Scripts teaches users how to read and write (and in the case of American Sign Language, sign) four alphabets and four character-based writing systems, and Droplets is designed specifically to teach foreign languages to kids in the ages between 8 and 17 years old.

### *6.5.5 Kahoot! Academy*

Kahoot! Academy is a newly launched knowledge platform, global online community, and marketplace directed in the first instance primarily towards educators. Kahoot! Academy is built with the ambition of creating a frictionless global knowledge platform and community, where learning content can flow between millions of Kahoot! educators, learners, publishers and other content creators. Kahoot! Academy allows educators to access and share high-quality learning content on a wide range of topics and to network with their peers across the globe. Alongside Kahoots and supportive content from "Verified Educators", Kahoot! Academy also offers content from content partners such as National Geographic, Time for Kids, Cambridge University Press and other publishers, as well as original content created by Kahoot!. The content from Kahoot! Academy is available to all of Kahoot!'s users, and ensures that high quality, highly engaging, ready-to-use content is always available. Kahoot! Academy allows educators to become "Verified Educators" through a review process, by submitting an application to be reviewed by Kahoot! Academy's editorial team. Through the verification process, Kahoot! Academy's editorial team ensures that the "Verified educator" offers high quality, original content in-line with Kahoot!'s terms and conditions and Kahoot! Academy's editorial policy. In addition to Kahoot! Academy's editorial team, Kahoot! Academy's editorial board can offer advice on approval of "Verified Educators" and content partners. Once an educator has become a "Verified Educator", they can share their content on Kahoot! Academy, and connect with their peers.

Kahoot! Academy is not just a knowledge platform and online community. Kahoot! Academy will also allow "Verified Educators" and content partners to promote their own content and make it available for free or for a fee on the Kahoot! Academy Marketplace. Verified Educators will be offered Marketplace opportunities where Kahoot! currently do not plan to charge any sales commission. Kahoot! Academy is currently in an early release stage and will be upgraded with additional features. An early release version of Kahoot! Academy, including an online community and knowledge platform, was available in June 2020. Kahoot! Academy’s marketplace will be launched in 2021.

6.5.5.1 Kahoot! Publisher

Kahoot! Publisher helps educational publishers, brands and content creators transform their content into high quality interactive learning experiences while ensuring control over the commercialisation of the content. Kahoot! Publisher allows the educational publisher, brand or content creator to create Kahoots to increase the impact of their respective material, both on their own platform and on the Kahoot! platform. Depending on the plan the educational publisher, brand or content creator has established with Kahoot!, the publisher can, inter alia, promote the partnership with Kahoot! on the publishers' platform and embed Kahoots across its platforms for its users to play for free or at a cost.

*6.5.6 Additional accessibility to Kahoot!'s products and services through Kahoot! partnership integrations*

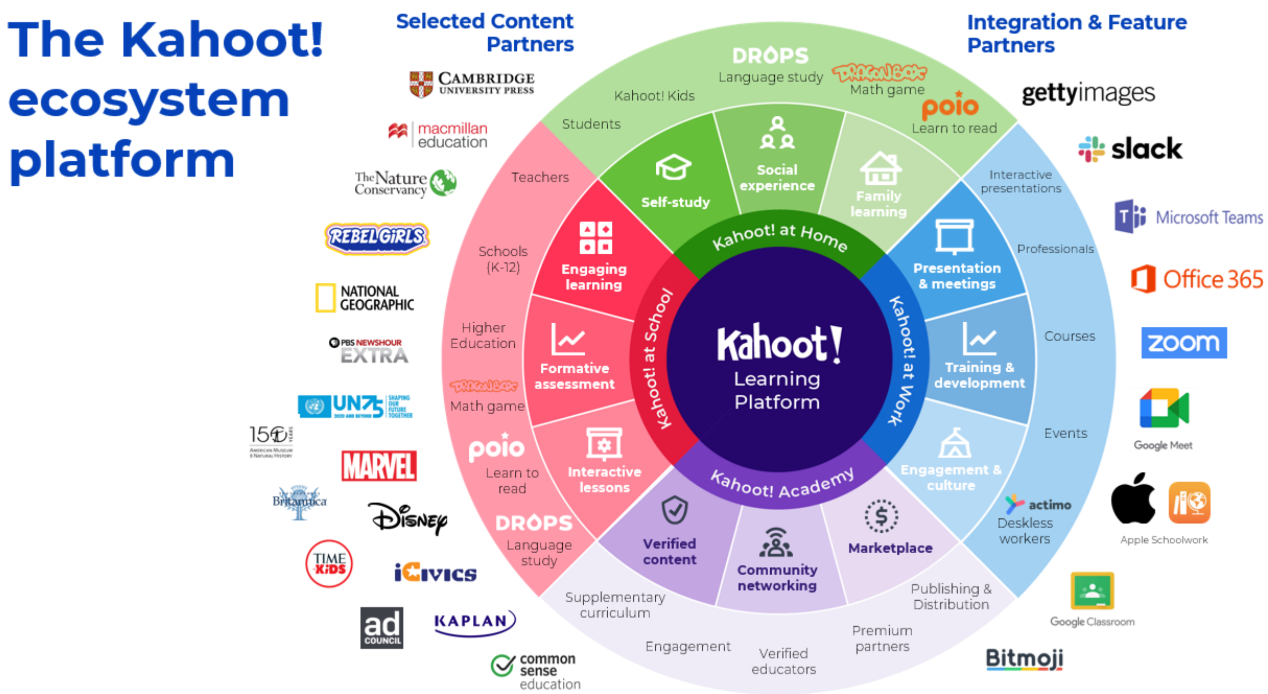
As further described in Section 6.6.3 "Kahoot! partnerships" below, the Kahoot! platform and its products and services are integrated with a variety of third-party applications established to ensure the best possible experience for all user groups and to further increase the accessibility to its products and services. The Kahoot! partnerships include integration collaborations that allows educators and business trainers to add Kahoots and host interactive presentations through other channels (such as Microsoft Teams, Google Classroom, Apple Schoolwork and Zoom), feature integration collaborations that allows for more engaging experiences when using Kahoot! (by creating expressive cartoon-based avatars through Bitmoji) and allows users to create higher quality Kahoots (by accessing the Getty Images image bank), and content collaborations that makes partner-curated collections of Kahoots accessible for Kahoot!'s users and allows the content partners to engage their own audiences.

## 6.6 The Kahoot! platform and business model

*6.6.1 The Kahoot! platform*

As a global education technology (EdTech) and enterprise software as a service (SaaS) company, Kahoot! develops its digital learning and engagement platform. The Group's business is fundamentally built around the Kahoot! platform, which consists of the Group's three main categories of user groups in addition to Kahoot! Academy, as described above. The platform set-up facilitates scalability and allows the Group to present and add content and functionalities tailored for each of the categories of user groups, with limited need for external advertising.

The Kahoot! platform is versatile and allows for multiple use cases and growth in several different directions simultaneously. It includes a tailored product and content offering directed to all user groups, which is steadily expanded through organic development, strategic partnerships and non-organic growth.



*6.6.2 The viral distribution model*

A key differentiating factor of Kahoot! is the Company's viral distribution model that benefits from the scalable cloud technology of the platform. The Kahoot! experience engage other presenters to use Kahoot! and inspire participants to use Kahoot! when they one day are presenters themselves. The viral distribution model drives a virtuous and organic flywheel by leveraging Kahoot!'s comprehensive offering of engaging tools. Developed organically, the viral distribution model is complemented and accelerated by relevant strategic partnerships, high quality and non-organic growth and complemented by the user- and partner-generated nature of content. This viral model allows Kahoot! to reach individuals and user groups globally with minimal need for external marketing and advertising.

Everyone can sign up online or via a mobile app and play Kahoot! for free. Typically, new accounts registered on the Kahoot! platform can be linked to the user's previous engagement with the platform and/or its content. From the time of registration, a multitude of customer journeys exists from occasional players to deeply embedding Kahoot! into education, corporate learning, meetings, social settings etc. Through these customer journeys Kahoot! offers paid capabilities that can greatly enhance the interaction experience and organizational collaboration using Kahoot!. The majority of sales takes place as customer self-service whereas larger and more complex customer use-cases are supported by Kahoot! sales and customer success teams.

As the Company continuously improves its services, user engagement further accelerates and consequently drives the viral growth of the ecosystem. This viral growth is reinforced by the user- and partner-generated nature of content on the platform. Enabling users to create their own content drives enhanced user engagement and stickier adoption. For instance, the platform facilitates organisations to easily create and scale their own training programs, which are specific to job roles or company culture and which can be used for short training modules and full company inductions. Similarly, in the higher education context, professors can create bespoke content for their niche area of teaching. These examples underline the positive impact of the platform: as more content is created, the user experience becomes more compelling for new organisations and teachers looking for materials to use or to mix and match with their own content. Kahoot!'s partner program further distinguishes the platform's content as outlined in Section 6.6.3 "Kahoot! partnerships" below.

As a result, the viral distribution model drives a virtuous flywheel accelerated by Kahoot!'s multiple user groups. As Kahoot! gains significant traction within each user group through the continued improvement of its platform and user-generated nature of content, the increasing number of users in each user group drives a network effect, where each constituent user group of Kahoot!'s ecosystem reinforces each other by attracting even further volumes through organic channels and the sharing of content via their networks, and overall creates a better experience for all sides.

### *6.6.3 Kahoot! partnerships*

Based on the growing size and global scale of the diverse Kahoot! user base as well as the unique game-based engagement proposition that Kahoot! offers, Kahoot! has become an increasingly attractive partner for a wide range of organisations. Partnerships have been and will continue to be an area of focus for Kahoot!, and they represent a key aspect of the larger Kahoot! value proposition.

#### 6.6.3.1 Platform integration partners

To support the widest distribution of Kahoot! and to offer the best possible experience for all Kahoot! user groups within key collaboration platforms, Kahoot! has established integrations with Microsoft Teams, Google Classroom and Apple Schoolwork. These integrations are non-commercial in nature and offer value for Kahoot!, the integration partners and the shared audiences of Kahoot! and the partners. Through the full Kahoot! integration with Microsoft Teams, Microsoft Teams users (e.g. business leaders and trainers) can easily install the Kahoot! app from the Microsoft Teams apps page within their Microsoft Teams account. These users can then launch live Kahoot experiences and assign self-paced Kahoot challenges to their groups from directly within the Microsoft Teams application, keeping their teams connected and strengthening company culture in the process. Similarly, through the Kahoot! single sign-on feature and integration with Google Classroom, educators can easily log into their Kahoot! accounts and assign Kahoots as homework challenges for their students with just one click. And for those educators using Apple Schoolwork, the integration with the Kahoot! app for iPad supports a more seamless experience within the Apple Schoolwork environment. Through this integration, educators can quickly find and easily assign self-paced Kahoot challenges to their students, gain insight on how their students are performing based on Kahoot! reports and help them tailor their teaching to individual students accordingly.

Beginning in early 2020, the urgent need for connection and value-based engagement for educators and students, managers and employees and friends and family became a daily reality due to Covid-19. Video conferencing platforms became indispensable, as did a handful of resources such as Kahoot! which could be effectively leveraged within them to support distance learning. In October 2020, the leading[5] video conferencing provider Zoom announced its plan to support third-party Zoom-integrated apps (or "**Zapps**") to help improve productivity and to support more engaging experiences within Zoom meetings. With the launch of the Kahoot! Zapp, which is currently anticipated for first release late in the first quarter of 2021, users will be able to access, host and play Kahoots directly within Zoom meetings without requiring a second device or screen. This integration will also allow professionals to take advantage of the Kahoot! platform's functionality to host interactive presentations as part of Kahoot! 360, which provides the tools to create presentations that engage, connect and inspire within a video conference setting.

#### 6.6.3.2 Feature integration partners

To further enhance digital distance learning and engagement for Kahoot! educator and student audiences, in November 2020 Kahoot! integrated specific Bitmoji features into Kahoot!. Bitmoji, owned by Snap Inc., is an app that allows users to create expressive cartoon-based avatars for use in messaging apps. With this integration, any Kahoot! user can add their Bitmoji avatar as their Kahoot! profile picture, students can express themselves as they play in Kahoot! study leagues versus their friends/classmates and educators can embed their Bitmoji avatar within live Kahoot game sessions to enable further connection with their students in a virtual classroom setting.

In order to support Kahoot! users in their creation of high quality Kahoots as efficiently as possible, Kahoot! established a partnership with Getty Images in 2018. Through this integration, a vast image bank including tens of millions of high-quality images can be seamlessly accessed within the Kahoot! creator tool, enabling users to quickly search and select a perfect image for any Kahoot question.

#### 6.6.3.3 Content partners

Kahoot! enables verified content partners to transform their existing content into partner-curated collections of Kahoots. These collections are showcased on the Kahoot! platform, engaging tens of millions of users annually. Further, these same Kahoots can be used by partners to directly engage their own audiences, thereby offering incremental value for both the content partners (in the area of engagement) and for Kahoot! (in the areas of distribution and brand association).

Kahoot! has developed partnerships with a wide variety of respected publishers, brands and organisations to cover the most relevant subjects/topics for Kahoot!'s audiences, thus enhancing the Kahoot! platform's ecosystem with high quality, ready-to-use Kahoots. These partner-curated collections are among the most frequently used, and they serve

[5] Source: https://investors.zoom.us/news-releases/news-release-details/zoom-named-leader-two-gartner-2020-magic-quadrants-meeting

to draw the attention and interest of potential new content partners. For example, Kahoot!'s partnership with National Geographic has been in place for several years and National Geographic is today part of the Kahoot! Academy and has in place a subscription plan under Kahoot! Publisher (see Section 6.5.5.1 "Kahoot! Publisher"). In 2021, Kahoot!'s content partners will play a critical role in the development of Kahoot! Academy Marketplace (see Section 6.5.5 "Kahoot! Academy" above for further information), adding significant value through new and exciting content that is expected to generate revenue for both Kahoot! and the content partners themselves.

Currently, the Group's main content partners include globally recognized companies such as Disney and respected publishers such as National Geographic, Britannica and Cambridge University Press.

## 6.7 Sustainability and social responsibility

### *6.7.1 Introduction*

Kahoot! is committed to improving learning and training experiences and making education more accessible around the world through digital solutions. Digital solutions are essential for increasing access to education worldwide and training employees for the future job market. By making learning awesome from creating engaging and impactful learning experiences for everyone, Kahoot! aims to unleash the full potential in every learner. This approach is well-aligned with the UN's sustainable development goals, and Kahoot! strives to make a clear impact and contribution to said goals. The following subsections highlight the primary focus areas that encompass Kahoot!'s key priorities regarding sustainability and social responsibility and describe how Kahoot! contributes positively to the UN sustainable development goals.

### *6.7.2 SDG 4: Quality education*

4 QUALITY EDUCATION

UN's sustainable development (SDG) goal no. 4 is at the heart of Kahoot!'s mission and operations. SDG4 is established to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all by 2030. Education enables upward socioeconomic mobility and is key to escaping poverty. The world has made significant progress with regards to SDG 4 over the past decade, but 260 million children were still out of school in 2018 – nearly one fifth of the global population of that age group[6]. Further, by April 2020 close to 1.6 billion children and youth were out of school due to the outbreak of the COVID-19 pandemic, making the SDG 4 more relevant than ever. Kahoot! contributes to literacy, numeracy, overcoming language barriers, making learning more inclusive, and ensuring that learners acquire knowledge to promote sustainable development. Kahoot! supports quality education through its main platform, as well as through DragonBox and Poio, award-winning math and learn-to-read apps, and the Drops products, which makes language learning natural with immersive visuals and play. Kahoot! is on a mission to empower children of any background to learn through play, and to build the world's largest sustainable learning community.

#### 6.7.2.1 Making learning more inclusive

Following the outbreak of Covid-19 and the corresponding consequences for students of all ages, Kahoot! eyed an opportunity to take responsibility. In order to curb the virus' negative impact on education and learning, Kahoot! decided to provide teachers with free subscription on the platform worldwide.

Inclusion is one of Kahoot!'s core values, and it affects how the Company is operated. Kahoot! is compliant with the Web Content Accessibility Guidelines (WCAG) version 2.0, to live up to an AA conformance level.

#### 6.7.2.2 Overcoming language barriers

Kahoot! is played in over 200 countries all over the world, helping learners connect through the universal language of play and gain confidence in a new language. Many teachers use Kahoot! to help international learners - including refugees - to learn a new language and connect. Kahoot! has also recently expanded its offering for language learners with the Drops products.

#### 6.7.2.3 Kahoot! the world into a better place

Kahoot! fosters partnerships with individuals, organizations and institutions that share its vision for positive social impact. United Nations, UNICEF, the Ad Council, Common Sense Education, Amnesty International, the National Institutes of Health and the Marine Stewardship Council are examples of partners that share Kahoot!'s commitment to this vision. In close collaboration with these partners on the important topics of Human Rights, Children's Rights, Bullying Prevention,

[6] http://uis.unesco.org/en/topic/out-school-children-and-youth.

Cyberbullying & Online Safety, Diversity and Inclusion, the Dangers of Drugs & Alcohol use and Sustainability, Kahoot! has been able to engage millions of learners and their educators around the world.

As Kahoot! believes that learning should include everyone and is committed to eliminate barriers to education. Kahoot!'s partnerships with such organizations as Tiimo and the Ad Council reflect the Company's commitments to this belief and enable Kahoot! to offer meaningful and inspiring learning content that can open minds and break stereotypes associated with gender, ethnicity, religion and neurodiversity (e.g., ADHD and Autism).

#### 6.7.2.4 Responsible content

Kahoot! aim to build trust through content. As a major player in the industry, Kahoot! has a responsibility and impact of the content shared through its platform. Kahoot! ensures that all content on its platform conveys a truthful message, which is not harmful and does not display news of violent, fake, or sexual character. Measures initiated to ensure responsible content include, inter alia:

- Flag mechanism for inappropriate content
- Automatic identification of content identified as inappropriate by the Kahoot! team
- Moderate or quarantine bad content (for example player nicknames)

Additionally, Kahoot!'s platform is free from advertisements, which protects its users from inappropriate, annoying and non-relevant content.

#### 6.7.2.5 Reducing the environmental footprint

Kahoot! aims to minimize the environmental impact of its offices. Kahoot! strives to keep the environmental footprint minimal by investing in an office with natural lighting and recycling and using more clean energy. Employees are educated on sustainability issues and are encouraged to participate in promoting sustainability.

#### 6.7.2.6 Valuing diversity

Inclusion lies in the heart of Kahoot!'s core values, and the Group's diversity is a key driver to success. Kahoot!'s organisation includes close to 40 nationalities, which represents different cultures, backgrounds, viewpoints, and personalities. Through a diverse workforce joining forces to work towards a common goal, Kahoot! can build a more dynamic and creative company culture that also reflects their products and services.

Members of Kahoot! are protected in a safe work environment by the Norwegian Working Environment Act and the gender equality and discrimination act. Kahoot! values a good work-life balance and invests in its employees and welcome feedback from its organisation.

### *6.7.3 Alignment with other UN's sustainable goals*


Kahoot! believes improving educational opportunities is vital for achieving several of the other SDGs, such as gender equality. Inclusivity and diversity are two of Kahoot's core values, which is strongly aligned with SDG 5, Gender Equality – all men and women need to be treated equally and to have the same rights despite their biological differences. Kahoot! believes that increased access to quality education reduces gender discrimination, which underpins the importance of our efforts towards a sustainable future at Kahoot!.

Below are also descriptions of other selected SDGs that Kahoot! believes it has a positive impact on:


SDG 9, Industry innovation and infrastructure: Kahoot! has disrupted the industry with a digital infrastructure, and continuously strives for further innovations and improvement.


SDG 11, Sustainable cities, and communities: Kahoot! minimizes its environmental footprint through investments in offices with natural lighting, recycling and using cleaner energy.


SDG 17, partnerships for the goals: Kahoot! fosters partnerships with individuals, organizations and institutions that share our vision for positive social impact.

### 6.8 Research and development

The Group's product and services development activities are critical to sustain its current growth momentum, and its competitive differentiation. The Group invests significant resources in product development to improve its existing product and service offerings, and to develop new attractive products and features that meet the demand of the global e-learning and digital learning markets. Software development is primarily conducted in Oslo, Norway by the Company's own employees and with the use of some external consultants. As of 31 December 2020, the Group had 107 employees dedicated to product development and engineering.

Please see Section 10.2.7 "Continuous improvement of Kahoot!'s offerings" for an overview of the Group's investments in product development.

### 6.9 Intellectual property rights

The Group's success depends in part on its ability to maintain and protect its software technology and intellectual property that has been used and will continue to be used to develop the Kahoot! platform, as well as the products and services offered on the Kahoot! platform. For this reason, the Group has a solid portfolio of intellectual property rights that includes trademarks, trade secrets, copyrights and domain names. None of the Group companies owns any patents or designs.

The Group's primary trademarks are "Kahoot!", a combined/figurative mark, "KAHOOT", a word mark, and "K!", a combined/figurative mark. The Group's trademarks are held by the various entities in the Group and are registered in Norway, Australia, EUIPO, the U.K., the U.S., Canada and WIPO. As of the date of this Prospectus, none of the Group companies have any pending trademark applications.

The Group is the sole owner of the proprietary source code for the software technology upon which the Kahoot! platform has been developed. The technology includes the Kahoot! platform's front- and back-end software, as well as the software used in developing the Group's Apps, including Kahoot! Poio Read, Kahoot! DragonBox Numbers and Kahoot! DragonBox Big Numbers, the Actimo employee App and Drops. The technology behind the Kahoot! platform is originally based on research conducted by the Chief Technical Officer, Morten Versvik, at the Norwegian University of Science and Technology (NTNU) in collaboration with Professor Alf Inge Wang who had first developed the software that was later acquired by the Company. The technology has since then been developed by the Group's internal IT and technology resources in combination with experienced software development consultancy firms through a series of verification projects. Today, the Kahoot! platform uses a cloud-based system with web-interfaces, a solution which allows for open community sharing, provides a platform for experimental development and makes it easier for the Group to apply a modern business model on the Kahoot! platform by introducing subscriptions, web-commercials, premium versions of certain content and micro-transactions. The Kahoot! platform's architecture consists of three major components; (i) client software, which provides the front-end and the user-interface of the Kahoot! platform, (ii) server software, which provides the back-end infrastructure to handle user requests, data management, user management, content management, all interactions with users, subscriptions, etc. and (iii) the database, which is the part of the architecture that is responsible for storing, retrieving and managing all of the data on the Kahoot! platform. Please see Section 6.14 "IT systems" below for a more detailed description of how the Group's IT operations are structured.

The Group's proprietary software is protected by copyright, trade secrets and trademarks. The source code for the technology is treated strictly confidential and those who have access to the Group's source code are bound by confidentiality agreements in addition to the protection applicable legislation provides. The Group has also implemented an information classification policy in order to ensure the highest security and quality on, inter alia, secure handling of the Group's software and describes in detail the procedures for how such information shall be treated.

Development of the Group's proprietary source code is carried out by the Company's employees and these projects include development of new modules and integrations to the source code, as well as modifications and adaption of existing source code. In addition to the favourable protection provided by Norwegian law regarding transfer of intellectual property rights, each of the Company's employees who are involved in the development of the Group's proprietary software are subject to intellectual property assignment provisions in their relevant employment agreements.

In certain cases, the Group license intellectual property from third parties for use on the Kahoot! platform, such as access to images via Getty Images' image database, logos and names of content providers and collaboration partners such as Disney and Marvel. Furthermore, the Group uses certain third-party software integrations for the development of the content made available on the Kahoot! platform and further developments of alterations of its Apps. The group's right to use such third-party intellectual property rights is governed by licensing agreements between the Company and the respective owners of such intellectual property. In this respect, the Group must in general rely on those third parties to protect the intellectual property rights for which the Group has been granted license.

The user generated content on the Kahoot! platform consists of the various Kahoots created by the users. When created and made public on the Kahoot! platform, the user retains the ownership to all rights, including intellectual property rights, to the user generated content. In accordance with the standard terms and conditions for use of the Kahoot! platform, each user who has created user generated content on the Kahoot! platform, grants Kahoot! a perpetual, non-exclusive, sub-licensable, transferable, royalty-free, irrevocable, fully paid, universal license to commercialise, use, reproduce, make available to the public (for example perform or display), publish, translate, modify, create derivative works from, and distribute any of the user generated content that the user has made available to the public in connection with the use of the Kahoot! platform through any medium, whether alone or in combination with other content or materials, in any manner and by any means, method or technology, whether known or thereafter created. The user also agrees to waive any moral rights to the user generated content such as the right to be identified as the author of any user generated content and the users right to object to derogatory treatment of such user generated content.

While the ability to maintain and protect the Group's software technology and intellectual property rights are key factors for the Group to succeed and the Group in part is dependent on the protection of such technology and intellectual property rights, including the proprietary source code for the Kahoot! platform, the Company is of the opinion that its business is not materially dependent on any individual trademark, trade secret, copyright or license.

## 6.10 Material contracts

Neither the Company nor any other member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, the Group has not entered into any other contract outside the ordinary course of business that contains any provision under which any member of the Group has any obligation or entitlement that is material to the Group as of the date of this Prospectus.

### *6.10.1 Customer agreements*

In general, the Group relies on its standard customer template agreements and standard terms and conditions for access to and use of the Kahoot! platform. For larger corporate customers, customised vendor templates are accepted as the basis for such customer agreements and whether the Group accepts such deviations from its template customer agreement is a commercial decision that is made on a case-by-case basis.

### *6.10.2 Agreements of strategic importance*

In order to improve the value proposition within the Group's business and for its categories of user groups and to further its reach with existing and new audiences, the Company collaborates with several key partners within the education industry in respect of the content available on the Kahoot! platform. A selection of key partners includes Disney, Microsoft, Google, Apple and publisher partners such as National Geographic, Britannica and Cambridge University Press. Kahoot!'s partners use the Kahoot! platform as a distribution channel in order to reach out to all of the Group's user groups, i.e. individuals such as teachers and students, learning institutions and organisations. Kahoot!'s collaboration with its key partners is also a prerequisite for Kahoot! to further enhance its product area Kahoot! Academy.

Kahoot! is part of the Microsoft Partner Network which works with key educational tech companies such as Kahoot! to empower educators to inspire learning around them. Through the Microsoft Partner Network, Kahoot! receives marketing, sales and partnership benefits with Microsoft's wide array of product offerings and marketing initiatives. Kahoot! is integrated with Microsoft Teams, its unified communications platform in the Microsoft suite.

Kahoot! is also a Google for Education Premier Partner which gives Kahoot! several sales and marketing privileges with Google for Education offerings. Kahoot! offers several integrations with Google services allowing a seamless Kahoot! playing and hosting experience to educators and students who are using the Google suite of products. Google also promotes Kahoot! on the Chromebook AppHub – a discovery experience from Google for education apps.

Kahoot! works closely with Apple and is one of the partners in Apple's Education Partner Program which promotes EdTech companies to its education customer base via its sales channels. Kahoot! is integrated with Apple's Schoolwork class management system and was one of the featured Apps at Apple's Education Event in Chicago in front of a global audience earlier in 2019. Apple has featured Kahoot! in the App Store as "App of the Day" and "Top Picks" on many instances – including holiday season, back to school etc.

Kahoot! has been a collaborating partner of the Walt Disney Company since participating in the Disney Accelerator program in 2017. The synergy of Disney IP/storytelling with the games in-classroom reach of Kahoot! has been the primary focus of business exploration to date. The Star Wars™ campaign on Kahoot! in 2018 and the relationship with Disney Youth Programs being two partnership examples. Additional win-win opportunities are being explored across several Walt Disney Company business units/franchises.

Through Kahoot! Publisher as described in Section 6.5.5.1 "Kahoot! Publisher" above, Kahoot! offers specific opportunities for publishers and other content creators, including those that enable publishers to add Kahoot! gamification within their own offerings for their own audiences and those that can create publisher awareness with the Kahoot! user community. The business models underpinning these offerings are based on either a subscription (e.g., Kahoot! Plus for publishers) or a flat fee (e.g. a featured set of publisher Kahoots on Kahoot!). National Geographic, Britannica and other publishers have achieved Kahoot game participation numbers in the millions and have also added Kahoot directly within their own products/platforms.

### 6.11 Dependency on contracts, patents and licenses

The Group has extensively registered trademarks in and related to the "Kahoot!" brand, including word-marks and logos, and the proprietary software for the Kahoot! platform is protected by copyright, trade secrets and trademarks, all of which are currently in use by the Group as described above in Section 6.9 "Intellectual property rights". Except for the Group's ownership to its proprietary software and its trademarks, the Group's existing business and profitability is not dependent on any patents or licenses.

Except for the strategic agreements mentioned in Section 6.10.2 "Agreements of strategic importance" above, it is the Company's opinion that the Group's existing business and profitability are not dependent upon any industrial, commercial or financial contracts.

### 6.12 Insurance

The Group currently maintains insurance coverage of the type and in amounts that it believes to be customary in the industry, including liability insurance reflecting the Group's liability in customer contracts and damage insurance for key assets, all subject to certain limitations, deductibles and caps. The CEO and Board of Directors are also covered by directors and officers liability insurance. However, no assurance can be given that the Group will not incur any damages that are not covered by its insurance policies or that exceed the coverage limits of such insurance policies.

### 6.13 Property, plant and equipment and right of use assets

Kahoot!'s headquarters, located in Fridtjof Nansens Plass 7 in Oslo, Norway, are leased pursuant to a lease agreement that expires on 30 November 2025. The Group leases other offices in the U.S., the U.K., France, Finland, Denmark and Spain. The Group believes that its current facilities are sufficient to meet its needs for the near future and that suitable new or substitute facilities will be available on commercially reasonable terms to accommodate foreseeable future operations. Other than the Group's leased offices, the Group does not have any material tangible fixed assets. Furthermore, there are no environmental issues that may affect the Group's utilisation of its leased offices. Please see Section 6.7.2.5 "Reducing the environmental footprint" for a brief description of how the Group works to reduce its environmental footprint.

### 6.14 IT systems

Information technology is essential to the Group's business and therefore the Group commits significant resources to maintaining and optimising its IT infrastructure systems, related applications and security. The Kahoot! platform uses a cloud-based operational system with web-interfaces and the majority of the IT infrastructure needed to operate the Kahoot! platform, such as data centres (operating the servers) and network connectivity, is leased from recognised global vendors, including Amazon Web Services (AWS), Google Cloud, Hetzner Online, OVH Hosting and Microsoft. These vendors ensure the continued running and availability of the Kahoot! platform, and are also responsible for continuous testing and development of the services utilised by the Group. The data centres operating the servers that stores the Group's data are located in multiple locations across the EU, U.S., Canada and Asia Pacific, in close proximity to the Group's users to ensure minimum latency. The Group does not own or operate the data centres or servers, nor does it maintain the network connectivity, and do therefore not handle any of the physical environment relating to the Group's IT infrastructure.

As user experience on the Kahoot! platform is integral to the Group's success, the Group has designed the Kahoot! platform and the products and services available on the Kahoot! platform to operate at high speeds under peak global load conditions, including during product improvements and upgrades via new and ongoing software releases. Furthermore, the Group develops its products with a view to scalability, data-driven automation and personalisation for the user that require significant data capacity. As the Group is committed to high software quality, the Group has invested in developing specialised software testing frameworks in order to automate the testing of its offerings at large scale and in various deployments.

For IT systems required to service customers, the Group employs sales systems to ensure consistency across its operations. The automated centralised billing system manages billing across more than 150 countries.

The Group's products and systems collect, generate and process significant volumes of sensitive business-related information, including personally identifiable information of users (personal data). As a result, the Group's IT systems are actively monitored and secured with advanced access restrictions, firewalls and through encryption mechanisms, and the Group has in place security routines and IT system access policies for the operation of the Group's IT infrastructure. In addition, the Group make use of digital testing services from Applause that regularly conduct security audits of the Group's IT systems and security testing services, such as monitoring of the Group's IT systems, from Netsecurity.

## 6.15 Regulatory matters

Below is a description of the regulatory environment that the Group operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Group’s operations.

### *6.15.1 Data protection and privacy regulations*

In the provisioning of its services, the Group collects and processes personal data about its users and customers.

In general, the Group collects user categories of personal data through the services provided by the individual entities in the Group (including for example by registering an account), in which case the respective Group entity acts as data controller or data processor depending on the category of customer. Typically, in cases where the customer is an enterprise or company, the relevant Group entity acts only as a data processor. In addition, the Group collects certain categories of personal data through the user's browser or device, cookies, as well as pixel tags and similar technologies. Apart from general human resources data pertaining to the Group's employees that is necessary to administer the employee relationship, none of the entities in the Group processes any special categories of personal data such as health data, including for the Group's users and customers. The Group does not collect or process personal data from users who merely participate in a Kahoot on a web-based solution without a subscription.

With respect to children, the Group's data processing activities differ compared with the processing of adults' personal data. In the role as data controller, the Group limits its collection of children's personal data as far as possible. When a user is under the age of 13 (for users located in the U.S.) or 16 (for users located outside the U.S.), the Group generally collects an email address only for the purpose of providing password reminders to the accountholder. The Group immediately and permanently alter/hash the email address in order to ensure that the email address is only used for providing password reminders. The child's email address cannot be reconstructed into its original form or used in order to identify the child accountholder. The Group may also collect other information that does not reveal the accountholder's specific identity, such as general aggregated information. However, for accountholders that are children specifically, the Group restricts the use of persistent identifiers by utilising pseudonymous identifiers. Consequently, the Group's implemented measures with regards to accountholders that are children does not allow the Group to identify, contact or create a profile for the child.

In the role as data processor, the Group does not collect, retain, use or share children's or students’ personal information, except as necessary for authorized school purposes, at the direction of the Group's school customers. Certain features of the Group's products offered to the school customers permit, for example, a teacher to collect information about the class, as well as about the individual students, such as attendance and performance. The Group uses such information only to provide the services to the teacher, such as to permit the teacher to interact with the students and track their progress over time. Product usage data that is collected by the Group from the provisioning of school products is always anonymized, or aggregated, and cannot be linked to individual students.

The Group's engagement of sub-processors of personal data are limited to third party service providers who provide services such as website, hosting, data analysis, information technology and related infrastructure services. All of the Group's sub-processors have entered suitable data protection agreements. Please see Section 6.14 "IT systems" above for a more detailed description about the Group's sub-processors.

Increased attention by governmental authorities is being given to regulations relating to privacy, data protection and information security. As part of its day-to-day business, the Group is exposed to personal information and other user content, meaning that it must adhere to a strict regulatory framework. The regulatory framework has recently undergone a significant upgrade with the introduction of the GDPR in May 2018 in the EU. GDPR imposes stringent data protection requirements in relation to the processing and movement of data and provides for noncompliance-related, potential penalties of up to EUR 20 million or 4% of annual global revenues.

### 6.16 Legal proceedings

From time to time, the Group may become involved in litigation, disputes and other legal proceedings arising in the course of its business. Neither the Company nor any other company in the Group, is, nor has been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and besides the ongoing disagreements with TimePlay, Inc and the heirs of a former consultant of DragonBox described below, the Company is not aware of any such proceedings which are pending or threatened.

As at the date of this Prospectus, the Group is involved in two disputes relating to alleged infringement of intellectual property rights. TimePlay, Inc, a Canadian-based company, has alleged that certain parts of Kahoot!'s system infringe on certain of TimePlay, Inc's patents. The Company has rejected the allegations and argued that TimePlay, Inc's patent claim can be challenged both on grounds of invalidation and non-infringement. Also, the heirs of a former consultant of DragonBox has upheld a claim that DragonBox has utilised the consultant's contribution to the DragonBox' product "Les Noums CP" in order to improve other DragonBox products that were not intended for the French market.

# 7 INDUSTRY AND MARKET OVERVIEW

*The Company has used industry and market data obtained from independent industry publications, market research, and other publicly available information. While the Company has compiled, extracted and reproduced data from external sources, the Company has not independently verified the correctness of such data. The Company therefore cautions prospective investors not to place undue reliance on the above-mentioned data. Unless otherwise indicated, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.*

*The Company confirms that, where information has been sourced from a third party, such information has been accurately reproduced. As far as the Company is aware and is able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties is presented, the source of such information is identified.*

*Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and can thus not give any assurances as to the accuracy of market data, which has been extracted from such publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and do not, necessarily, reflect actual market conditions. Such statistics are based on market research, which, itself, is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.*

*As a result, prospective investors should be aware that statistics, statements and other information relating to markets, market sizes, market shares, market positions and other industry data set forth in the following (and projections, assumptions and estimates based on such data) may not be reliable indicators of the Group's future performance and the future performance of the industry.*

*The following discussion contains forward-looking statements, see Section 4.3 "Cautionary note regarding forward-looking statements". The forward-looking statements in this section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, and such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.*

## 7.1 Introduction

The global education expenditure from governments, households and corporates has continued to grow to historical high levels and is expected to reach USD 7.8 trillion by 2025 and USD 10 trillion by 2030, according to HolonIQ[7]. As globalisation and technology continue to reshape the need of the global labour market at an accelerated pace, the demand for talented individuals who possesses a broader knowledge base, more specialised skillset, advanced analytical capabilities, and complex communication skills continue to rise[8]. This demand for talent is the key factor for the rise in demand for continuous corporate training and learning[9].

According to The World Economic Forum[10], 75 million jobs across 20 major economies will be displaced by emerging technologies by 2022 and 133 million new roles will be created by these same technological advances, implying people losing their jobs could stay employed through upskilling and reskilling[11]. As employees demand user-centric and high-quality learning methods, businesses are increasingly implementing new e-learning tools to address the increased need for corporate training and learning. E-learning offers multiple advantages versus traditional classroom training, both for businesses and employees. For employees, resources and lectures can be accessed at any point in time, from essentially any location in the world[12]. Similarly, for businesses, e-learning has the potential to provide significant benefits relative to the investment, highlighted by enhanced performance and productivity, strengthened competitiveness from a more skilled workforce, reduced employee turnover and increased customer loyalty[13].

[7] https://medium.com/@patrickbrothers/ten-charts-that-explain-the-global-education-technology-market-6809fa68484c
[8] https://www.careeraddict.com/future-work-skills
[9] https://learning.linkedin.com/resources/workplace-learning-report-2018
[10] http://www3.weforum.org/docs/WEF_Future_of_Jobs_2018.pdf
[11] http://www3.weforum.org/docs/WEF_Future_of_Jobs_2018.pdf
[12] https://elearningindustry.com/advantages-and-disadvantages-of-elearning
[13] https://elearningindustry.com/advantages-and-disadvantages-of-elearning

Although having employees with a right and satisfactory skillset is an enabler for a company's success, it is not in itself enough to maximise the value of a workforce. To ensure best-effort performances from its employees, companies need to ensure that employees are emotionally invested in the Company, or in other words, engaged. According to Gallup[14], 85% of the global workforce is not engaged or actively disengaged. Most organisations apparently fail to fulfil employees' need for purpose and development opportunities. Companies that wish to attract and retain top talent in and to their organisation would have to offer more than the annual review of the past. Consequently, organisations are not only investing in their employees through training and learning but are also increasing investments in tools that can support employee engagement, corporate culture, teambuilding and continuous employee interaction.

Simultaneously, in the educational sector, education is no longer perceived as a privilege, but rather a duty, and a mean to compete in the global job market in the future[15]. Most governments are expected to ensure access to basic education, and citizens are often required by law to attain education up to a certain basic level. The growth in the educational sector is driven both by higher enrolment rates globally and changing demographics, but first and foremost due to the higher number of graduates from secondary and post-secondary schools and institutions[16]. According to HolonIQ, there will be more than 2.7 billion students worldwide by 2035. To meet the increasing demand for higher education with current distribution models, at least two universities must be founded per day, over the next ten years[17].

The development witnessed in the corporate and the educational sectors, combined with new emerging technologies, have resulted in innovative business models capable of addressing the growing need for high-quality, cost-effective and scalable educational services. Kahoot! serves as an example of such an innovative business model, providing a scalable digital learning and engagement platform. Learning and training is at the heart of the Kahoot! platform, but following both recent acquisitions and continuous product development, the functionality of the platform extends beyond e-learning and into the areas of e.g. interactivity, engagement, corporate culture, teambuilding, audience interaction and communications.

The following sections provide an overview of the global e-learning market, Kahoot!'s market opportunity, most recent developments and important trends for the future, and as well a brief overview of the adjacent market opportunities that Kahoot! is currently facing.

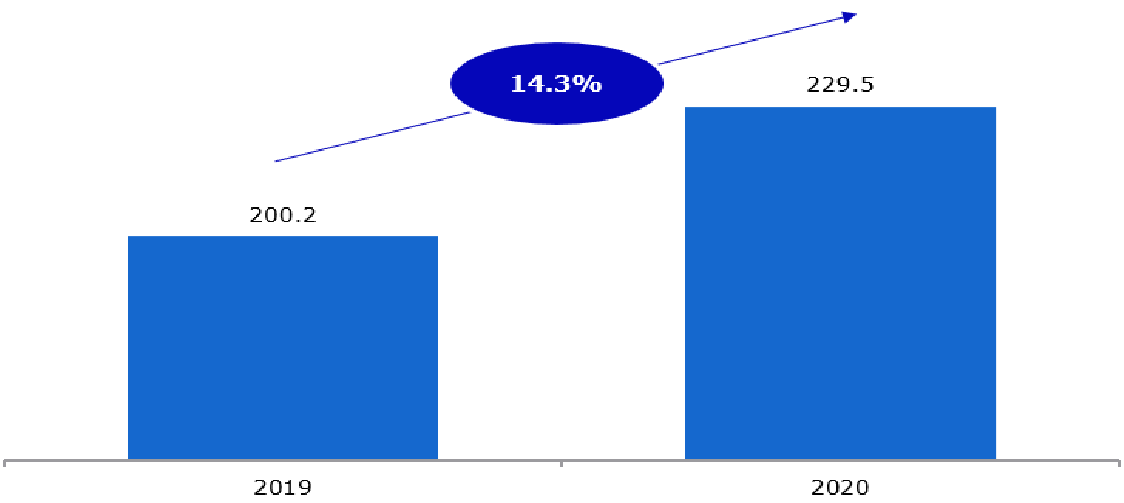
## 7.2 Kahoot!'s target market

E-learning, or electronic learning, refers to learning that we can obtain using internet on a connected device[18], and is consequently a sub-segment of the global market for education and training. Even though e-learning originated in the early 1990s, it was not until the late 20$^{th}$ century that its expansion accelerated, as people all over the world got internet access, computers in their homes and smartphones in their hands. By the end of the early 1990s, several universities had started providing online courses, and by the early 2000s many businesses replaced traditional classroom courses by utilising e-learning for the purpose of training their employees[19]. Nowadays, you can learn virtually anything from your home, whenever you feel like it, provided you have a smartphone, tablet, or PC in your hands. This concept of studying from home at your own pace will become increasingly important in the future. World-class content is being made available to everyone for free or to a relatively low cost, helping to break down the traditional barriers to education and training.

Global Market Insights (GMI) estimates that the size of the global e-learning market to be USD 200.2 billion and USD 229.5 billion in 2019 and 2020, respectively. This corresponds to a growth rate of 14.5% for 2020.

[14] https://www.gallup.com/workplace/231668/dismal-employee-engagement-sign-global-mismanagement.aspx
[15] https://gemreportunesco.wordpress.com/2018/11/05/education-is-not-a-privilege-its-a-legal-right/
[16] https://www.holoniq.com/edtech/10-charts-that-explain-the-global-education-technology-market/
[17] https://markets.businessinsider.com/news/stocks/global-education-technology-market-to-reach-341b-by-2025-1027892295
[18] https://e-student.org/what-is-e-learning
[19] https://www.talentlms.com/ebook/elearning/history-of-elearning

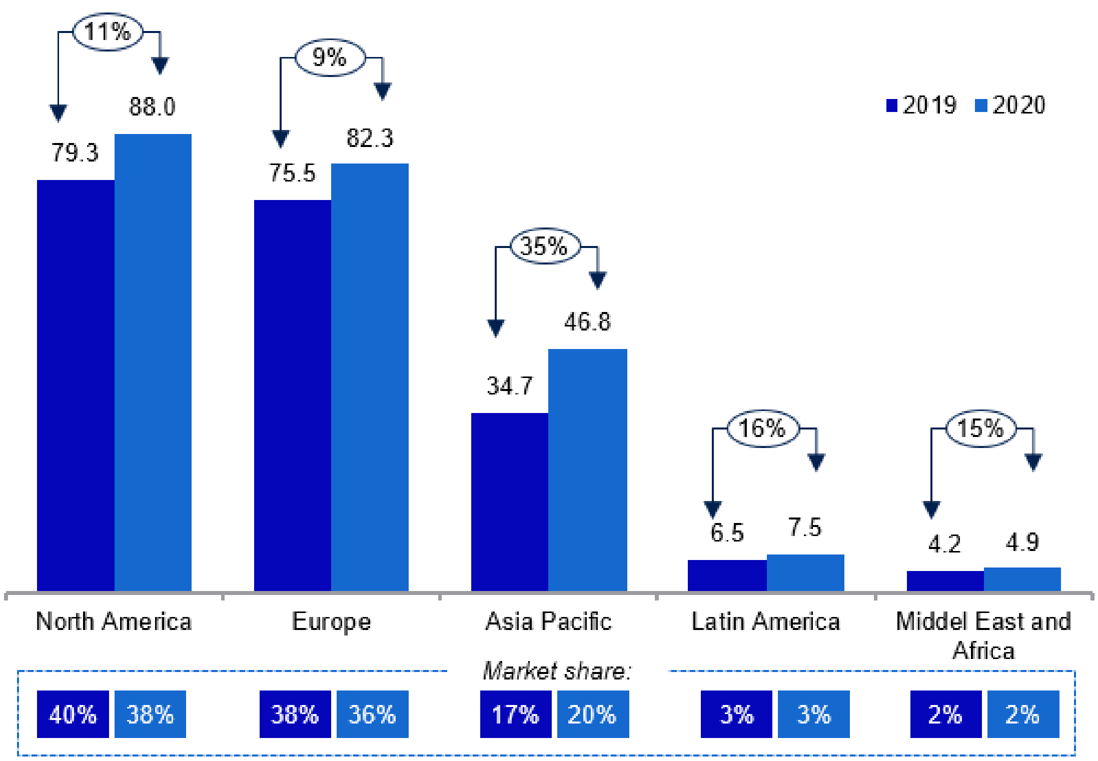
**Figure 7.2 (1)**: Estimated market size for the global e-learning market (USD billion)




**Source**: Global Market Insights: E-learning Market Report, 2026.

In terms of geographic distribution, North America is the largest geographical segment of the market, followed closely by Europe. Together, the two geographical segments make up more than 77% and 74% of the global market in 2019 and 2020, respectively. Asia Pacific is the third largest market, estimated to USD 35 billion and USD 47 billion in 2019 and 2020, respectively. The size of the Latin American market is estimated to USD 6.5 billion in 2019 and USD 7.5 billion in 2020, while the market in Middle East and Africa is estimated to USD 4.2 and 4.9 billion in 2019 and 2020, respectively. In terms of market growth, GMI estimates that the lions' share of the growth to be in less developed markets, while the more mature markets are estimated to experience lower overall growth. Asia Pacific is the region experiencing the highest growth in 2020, with 35% market growth.

**Figure 7.2 (2)**: Global e-learning market, breakdown per geography (USD billion)




**Source**: Global Market Insights: E-learning Market Report, 2026.

While the term e-learning includes all types of learning completed with the use of an electronic device, GMI's market study covers only the corporate, academic and government segments. As Kahoot!'s current product offering also includes learning and engagement for the Kahoot! at Home user group (e.g. self-study, language learning and social events), Kahoot! would argue that GMI's market estimate does not encapsulate their entire addressable market. Furthermore, the Kahoot! platform also includes interactivity and engagement functionality, tools to support corporate culture, team building and training, meetings and events, audience interaction and communications, all of which are functionality that extends beyond the term e-learning. Figure 7.2 (3) below provides an illustrative overview of Kahoot!'s target market.

**Figure 7.2 (3)**: Kahoot! target market


**Source**: Global Market Insights: E-learning Market Report, 2026.

### 7.3 Key drivers and trends

The industry of digital learning and engagement software, and Kahoot! particularly, benefit from several fundamental trends including accelerating digitalisation, increasing need for employee connectivity and engagement solutions as well as increasing adoption of interactive solutions, and, more specifically, from a number of trends in the corporate as well as K-12 and higher education end markets.

#### *7.3.1 Accelerating digitalisation*

The industry of digital learning and engagement software has experienced a paradigm shift with the increase of the number of internet-enabled devices and the reduced costs of such devices and data. Globally, the number of mobile cellular subscriptions per 100 people increased 37% year-over-year to 104 in 2019 (according to World Bank[20]). The rise in penetration of mobile devices and the reduced costs of access to data, in addition to the introduction of cloud computing infrastructure, have provided a constructive backdrop for digital solutions both on the consumer and providers side by facilitating the delivery of cost-effective and user-friendly digital solutions. The digitalisation of learning and engagement is further supported by the preference by corporates and educational institutions for digital over traditional content, considering the lower procurement costs and ease of access to it. In digital learning in particular, the increased popularity of mobile learning has driven content creators and platform providers to optimise their products for mobile accessibility and encouraged academic institutions to use mobile applications for learning and development, resulting in a rise of learning mobile applications popularity. Providers are beyond that increasingly focusing on offering customised learning modules to ensure high level engagement and rich content.

Furthermore, the digitalisation process is facilitated by a narrowing of the "digital divide" across regions as internet infrastructure and availability of high-speed connection are improving, devices are increasingly affordable and 4G and 5G coverage is expanding. As the availability of high-speed internet infrastructure in emerging markets, in particular, is rising, the industry of digital learning and engagement is set to further benefit from growth opportunities. Internet, mobile access and required infrastructure in less developed countries have been growing over the past 10 years. The percentage of the population using the internet in low and middle income countries more than doubled over the period, reaching approximately 43% in 2019. As the world is forced to rely on the internet to remain connected amid the Covid-19 pandemic, bridging the aforementioned digital divide has become even more pressing.

[20] https://data.worldbank.org/indicator/IT.CEL.SETS.P2.

A supportive political backdrop and continued government investments are further advancing digital transformation efforts. Government expenditure on education as share of GDP worldwide has increased from 3.9% in 2000 to 4.5% in 2017 (according to World Bank[21]). In 2015, the UN member states adopted the 2030 Agenda for Sustainable Development and renewed their commitment to global development: UN's Sustainable Development goal no. 4 ("**SDG 4**") is dedicated to education and aims to "ensure inclusive and equitable quality education and promote lifelong learning opportunities" by 2030. Various governments have prioritised the adoption of digital learning. For instance, the European Union's Digital Education Action Plan (2021-2027) outlines the European Commission's vision for high-quality, inclusive and accessible digital learning in Europe and is likely to drive a structural tailwind for the education sector and digital learning . The plan's focus on infrastructure, connectivity and digital equipment is particularly relevant for acceleration of digitalisation in education as it is enabling digital learning solutions to scale. In addition, governmental and enterprise organisations are recognising the societal need to reduce their impact on the environment by spurring digitalisation and facilitating remote learning and engagement solutions as illustrated by the EU's nationally determined contribution under the Paris Agreement to reduce greenhouse gas emissions by at least 40% by 2030 compared to 1990, under its wider 2030 climate and energy framework.

Importantly, this process of digitalisation has been accelerated by the Covid-19 pandemic and the resulting social distancing and lockdown measures implemented by governments worldwide. The pandemic has shifted a major part of the global employee and student populations to a remote and digital learning and working environment. Even after the first lockdowns in March 2020, a critical mass remains affected. To illustrate, Google searches for the term "online learning" rose by almost four times (4x) in March 2020 compared to pre-Covid-19 levels and have remained elevated since, according to Google Trends[22]. Recent lockdown measures since year-end 2020 have driven a similar increase in January 2021 as that observed in March 2020. Over the course of the pandemic, demand for digital learning and engagement solutions has increased as teachers have been looking to identify effective opportunities to engage with students in a remote learning context, corporates have re-developed training and communication format towards employees and external stakeholders and groups of families and friends have been looking for new ways of entertainment. As institutions across the world have adapted to this new mode of content delivery and are benefitting from reduced costs and increased reach, digital learning and engagement solutions are well positioned to continue to play an important role even after the pandemic. In addition, the mainstream introduction of remote learning has sustainably contributed to positively shifting the perception of online education, further improving long-term growth opportunities for online education providers.

### *7.3.2 Employee connectivity and engagement*

The evolving nature of work and access to mobile and cloud technologies as well as ubiquitous network connectivity have enabled modern corporations and their employees to operate in an increasingly dynamic and distributed manner. Typically, a significant share of a corporation's employees works outside their main headquarters and teams often need to work together across locations. Beyond that, remote working, in general, has steadily gained popularity over the past decade, with companies increasingly offering their employees the option to work from home for one or more days a week in order to promote flexibility and improve employee satisfaction. With globally distributed workforces, corporations face an increased challenge to remotely connect with their workforce. In this regard, software connectivity solutions are pivotal to ensure the smooth functioning of organizations, by allowing employees to remain connected to colleagues, external parties and teams. This allows for more flexibility and freedom while maintaining high productivity even away from the office. Companies are increasingly relying on solutions such as Zoom and Microsoft Teams to power this new virtual working environment. As a result, millions of workers around the world have become comfortable with those technologies, facilitating the mainstream introduction of complementing digital platforms, such as Kahoot!, to deliver virtual events, culture and team building exercises as well as training.

Moreover, with increasingly distributed workforces, corporations seek to drive deeper engagement with their employees and maintain corporate culture through innovative digital solutions, such as live engagement tools, that enhance employee satisfaction and productivity. These solutions do not have to be limited to internal stakeholders but also have the potential to sustainably influence the way companies interact with external audiences.

Covid-19 has accelerated these developments as the lockdowns and social distancing measures established by governments worldwide have forced a large part of the workforce to work from home, driving the mass adoption by organisations of solutions enabling remote connectivity and enhancing employee engagement. The increasing share of workers belonging to the millennial generation, people born between 1986 and 1996, and to generation Z, people born

[21] https://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS.
[22] https://trends.google.com/trends/explore?q=online%20learning.

between 1996 and 2010, as a portion of the total working population, also contributes to this trend as this group is digital savvy and more inclined to prefer flexible working arrangements.

### *7.3.3 Increasing adoption of interactive solutions*

Digital learning and engagement solutions are characterised by an increasing level of interactivity. Interactive design fundamentals and mechanics, such as game-based tools, are being integrated into various activities including corporate initiatives aimed at strengthening, amongst others, corporate culture and learning by maximising enjoyment and engagement through capturing the interest of the audience.

The use of interactive solutions as a way of delivering education and engaging with learners as well as employees has become more commonplace and is expected to play an even stronger role going forward as the digitalisation of learning and engagement solutions advances. The increased proliferation of smart internet connected devices, as described before, has been especially supportive to the adoption of interaction elements as it provides a particularly convenient way to create engagement.

The benefits of interactive solutions in digital learning and engagement include increased motivation, enjoyment, productivity and focus on content, and an overall enhanced experience. For example, through compelling and interesting environments, games provide a solution to learner's and employee's self-motivation, a major impediment to growth of digital learning and engagement solutions. Corporate learning and the lecture-style mass student format of many university courses are especially suited to interactive learning as it allows for bespoke content creation to niche areas of corporates and teaching. By infusing interaction and gameplay, corporations and institutions may develop more dynamic settings and significantly increase learning engagement and collaboration.

### *7.3.4 Corporate learning*

Corporates are well positioned to benefit from the aforementioned trends towards digitalisation and increasing usage of interaction in learning and employee engagement. Corporates are expected to drive growth of spend on digital learning and engagement solutions to improve the learning experience, reduce the capital intensity of delivering education, ensure team connectivity, engagement and collaboration in remote working settings, and ultimately remain competitive in a rapidly changing technological landscape.

Lifelong learning has witnessed rising importance in recent years as increasing automation and use of technology require the labour force to shift their occupation or skill-set more frequently through the course of their career and as corporates focus on filling in leadership roles, improving succession plans and ensuring their talent pool is up-to-date with the latest technological and business trends. Covid-19 has accelerated the pace of change of an already fast-changing economy resulting in an even more vital role of lifelong learning and upskilling as means to create an adaptable workforce. Importantly, the increased need for lifelong learning drives acceleration in corporate spend on reskilling and upskilling as well as individual and government spend. The trend of lifelong learning is reinforced as corporates are increasingly required to provide regular training to their employees in the context of their rising exposure to stricter and complex compliance and regulatory oversight measures, and the rising importance of integrating environmental, social and governance initiatives into their strategies.

Human capital and its productivity are at the centre of organizational performance. The training that employees receive is a key driver of the strength of an organisation's human capital and productivity, however, at the same time represents one of the key expenses for an organisation. In order to achieve their objectives while balancing expenses, corporations are increasingly relying on and adopting innovative and cost-effective means to employee training. Digital learning solutions can dramatically enhance the effectiveness and efficiency of traditional learning methods and provide a compelling proposition driving significant corporate spend on such solutions. The advantages associated with digital learning solutions vis-à-vis traditional ways of education in a brick-and-mortar setting include cost savings as, for example, travel, trainer and printing expenses fall away while employees' working hours may be saved as travel to training locations is no longer required. In addition, the implementation of bring your own device ("**BYOD**") policies across corporations enables employees to develop and improve digital literacy at minimal financial disbursement for corporations. By implementing BYOD, corporations ensure that employees are familiar and accustomed to their devices driving increased engagement with learning solutions offered via such devices.

### *7.3.5 K-12 and higher education learning*

The integration of digital solutions to the learning environment can bridge many of the shortfalls of traditional education in classroom-based, teacher-centred settings, including limitations around personalised teaching, student disengagement, and scarce opportunities to apply theoretical knowledge. By providing a personalised, interactive approach to learning, digital learning solutions are well-positioned to transform education by enhancing the effectiveness and efficiency of traditional teaching and have been witnessing rapid adoption, accelerated by the proliferation of personal devices and increased government focus as well as recently by the Covid-19 pandemic and the resulting need for remote learning generated by social distancing measures.

The inherent nature of traditional teaching methods centred on a single teacher makes it challenging to offer a tailor-made, student-centric learning experience. While educators in traditional classrooms teach at one speed, students learn concepts at different rates and one consistent progression cannot effectively serve the needs of an entire classroom. Digital solutions with adaptive learning capabilities that identify students' type of learning and customise learning experiences in real time provide students with the ability to self-pace their learning experience, access learning resources at any place and time and revisit material easily. Consequently, such digital solutions are gaining traction and are well suited to scale the mass personalisation of education and improve learning outcomes.

Furthermore, digital learning solutions provide a superior learning experience by addressing the monotonic nature of traditional teaching methods which may result in disengagement and include limited opportunities to apply knowledge effectively. In particular, interactive and engagement solutions can increase student engagement by introducing entertainment elements with an overall positive effect on the retention of learnt material. Moreover, such an interactive, practical and example-based learning approach provides enhanced opportunities to effectively apply knowledge as compared to traditional exam-oriented methods. The integration of digital learning solutions including interactive and engagement features into a traditional education setting overall creates a blended learning environment with a positive impact on outcomes, as students enjoy the benefits of both digital and traditional learning solutions and benefit from interdisciplinary learning.

# 8 CAPITALISATION AND INDEBTEDNESS

## 8.1 Introduction

The information presented below has been extracted from the Annual Financial Statements and should be read in connection with the information included elsewhere in this Prospectus, in particular Sections 9 "Selected Financial and Other Information" and 10 "Operating and financial review", as well as the Annual Financial Statements and their related notes, attached to this Prospectus as Appendix B.

This Section provides information about the Company's consolidated capitalisation and net financial indebtedness on an actual basis as of 31 December 2020 and, in the "Adjustment amount" column, the Company's unaudited consolidated capitalisation and net financial indebtedness as of 31 December 2020, on an adjusted basis to give effect to the Company's settlement of the performance based consideration in connection with the acquisition of Drops and the Company's acquisition of Whiteboard, and their estimated impact on the Company's consolidated capitalisation and net financial indebtedness following these transactions that occurred in the period between 31 December 2020 and up to the date of this Prospectus.

The "As adjusted" column reflects the Company's unaudited consolidated capitalisation and net financial indebtedness as of 31 December 2020 adjusted for the following:

- On 12 February 2021, the Company settled the additional consideration of USD 5,748 thousand upon satisfaction of the performance-based threshold related to the earnout issued in connection with the Company's acquisition of Drops. The additional consideration was settled by issuance of in total 121,618 new Shares, at a subscription price per Share of NOK 116.30, and the payment of USD 4,109 thousand in cash. For further information, please see Sections 10.7.2.1 "Earnouts relating to the acquisitions of Actimo and Drops") and 10.12 "Significant changes"; and

- On 23 February 2021, the Company acquired 100% of the shares in Digital Teaching Tools Finland Ltd. (Whiteboard), for an initial consideration of USD 6 million, in addition to a performance-based element up to USD 6 million depending on Whiteboard's performance for the financial years 2021 and 2022. The initial consideration of USD 6 million was settled by payment of USD 3,600 thousand in cash and USD 2,400 thousand by issuance of consideration Shares, which required the Company to issue 184,892 new Shares at a subscription price per Share of NOK 110.39. For further information, please see Section 10.12 "Significant changes".

Other than as described above, there have been no material changes to the Company's consolidated capitalisation and net financial indebtedness since 31 December 2020.

## 8.2 Capitalisation

The table below sets out information about the Company's consolidated capitalisation as at 31 December 2020.

| *In USD thousands* | **As at 31 December 2020** | **Adjustment amount** | **As adjusted** |
|---|---|---|---|
| **Indebtedness** | | | |
| *Total current debt:* | | | |
| Guaranteed | – | – | – |
| Secured[1] | 964 | – | 964 |
| Unguaranteed/Unsecured[2] | 64,827 | – | 64,827 |
| *Total non-current debt:* | | | |
| Guaranteed | – | – | – |
| Secured[3] | 2,312 | – | 2,312 |
| Unguaranteed/Unsecured[4] | 21,290 | – | 21,290 |
| **Total indebtedness** | **89,393** | – | **89,393** |
| **Shareholders' equity** | | | |
| Share capital | 5,228 | 4[6 7] | 5,232 |

| *In USD thousands* | **As at 31 December 2020** | **Adjustment amount** | **As adjusted** |
|---|---|---|---|
| Additional paid-in capital | 357,383 | 4,035[6 7] | 361,418 |
| Other reserves | 5,168 | – | 5,168 |
| Retained earnings | (79,373) | – | (79,373) |
| **Total shareholders' equity[5]** | **288,406** | **4,039** | **292,445** |
| **Total capitalisation** | **377,800** | **4,039** | **381,838** |

1 Current secured debt of USD 964 thousand consists of the current portion of lease liabilities and is extracted from the Annual Financial Statements as of and for the financial year ended 31 December 2020 as set out in the consolidated statement of financial position. The lease liabilities are secured with cash held in deposit accounts.

2 Current unguaranteed/unsecured debt of USD 64,827 thousand consists of the following financial statement line items; other current liabilities of USD 35,111 thousand, contract liabilities (deferred revenue) of USD 27,899 thousand and trade payables of USD 1,817 thousand.

3 Non-current secured debt of USD 2,312 thousand consists of the financial statement line item lease liabilities non-current portion. The lease liabilities are secured with cash held in deposit accounts.

4 Non-current unguaranteed/unsecured debt of USD 21,290 thousand consists of the following financial statement line items; other non-current liabilities of USD 15,447 thousand and deferred tax liability of USD 5,843 thousand.

5 Total shareholders' equity of USD 288,406 consists of USD 5,228 thousand in share capital, USD 357,383 thousand in additional paid-in capital in the form of share premium, USD 5,168 thousand in other reserves relating to share-based payments (USD 5,542 thousand) and translation differences reserves (USD (375) thousand) and USD (79,373) thousand in retained earnings.

6 The additional consideration of USD 5,748 thousand upon satisfaction of the performance-based threshold related to the earnout issued in connection with the acquisition of Drops. The additional consideration was settled by issuance of 121,618 new Shares at a subscription price per Share of NOK 116.30 resulting in an increase in share capital of USD 1 thousand (rounded) and additional paid-in capital of USD 1,638 thousand (rounded). The remaining amount of USD 4,109 thousand was settled in cash.

7 The acquisition of Whiteboard for a total consideration of USD 6 million, where the Company issued 184,892 new Shares at a subscription price per Share of NOK 110.39 resulting in an increase in share capital of USD 2 thousand (rounded) and additional paid-in capital of USD 2,398 thousand (rounded). The remaining amount of USD 3,600 thousand was settled with cash.

## 8.3 Net financial indebtedness

The table below sets out information about the Company's consolidated net financial indebtedness as at 31 December 2020.

| *In USD thousands* | | **As at 31 December 2020** | **Adjustment amount** | **As adjusted** |
|---|---|---|---|---|
| *Net indebtedness* | | | | |
| (A) | Cash[1] | 256,120 | (7,709)[4 5] | 248,411 |
| (B) | Cash equivalents | – | – | – |
| (C) | Trading securities | – | – | – |
| **(D)** | **Liquidity (A)+(B)+(C)** | **256,120** | **(7,709)**[4 5] | **248,411** |
| **(E)** | **Current financial receivables** | **–** | **–** | – |
| (F) | Current bank debt | – | – | – |
| (G) | Current portion of non-current debt[2] | 13,126 | – | 13,126 |
| (H) | Other current financial debt | – | – | – |
| **(I)** | **Current financial debt (F)+(G)+(H)** | **13,126** | – | **13,126** |
| **(J)** | **Net current financial indebtedness (I)-(E)-(D)** | **(242,994)** | **(7,709)**[4 5] | **(235,285)** |
| (K) | Non-current bank loans | – | – | – |
| (L) | Loan Agreement | – | – | – |
| (M) | Other non-current loans[3] | 17,494 | – | 17,494 |
| **(N)** | **Non-current financial indebtedness (K)+(L)+(M)** | **17,494** | **–** | **17,494** |
| **(O)** | **Net financial indebtedness (J)+(N)** | **(225,500)** | **(7,709)**[4 5] | **(217,791)** |

1 Cash of USD 256,120 thousand consists of the financial statement line item cash and cash equivalents and is extracted from the Annual Financial Statements as of and for the financial year ended 31 December 2020 as set out in the consolidated statement of financial position.

2 Current portion of financial debt of USD 13,126 thousand consists of USD 964 thousand in current lease liabilities and USD 12,162 thousand extracted from other current liabilities of USD 35,111 thousand in the consolidated statement of financial position as of and for the financial year ended 31 December 2020. USD 12,162 thousand extracted from other current liabilities is the current portion of the contingent earnout liability in relation to the acquisition of Actimo and Drops. Please see Section 10.7.2.1 "Earnouts relating to the acquisitions of Actimo and Drops" for further information.

3 Other non-current loans of USD 17,494 thousand consists of USD 2,312 thousand in non-current lease liabilities and USD 15,182 thousand extracted from other current liabilities of USD 35,111 thousand in the consolidated statement of financial position as of and for the financial year ended 31 December 2020. USD 15,182 thousand extracted from other non-current liabilities is the non-current portion of the contingent earnout liability in relation to the acquisition of Actimo and Drops. Please see Section 10.7.2.1 "Earnouts relating to the acquisitions of Actimo and Drops" for further information.

4 The additional consideration of USD 5,748 thousand upon satisfaction of the performance-based threshold related to the earnout issued in connection with the acquisition of Drops. The additional consideration was settled by issuance of 121,618 new Shares at a subscription price per Share of NOK 116.30 resulting in an increase in share capital of USD 1 thousand (rounded) and additional paid-in capital of USD 1,638 thousand (rounded). The remaining amount of USD 4,109 thousand was settled in cash.

5 The acquisition of Whiteboard for a total consideration of USD 6 million, where the Company issued 184,892 new Shares at a subscription price per Share of NOK 110.39 resulting in an increase in share capital of USD 2 thousand (rounded) and additional paid-in capital of USD 2,398 thousand (rounded). The remaining amount of USD 3,600 thousand was settled with cash.

## 8.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for the period covering at least 12 months from the date of this Prospectus.

## 8.5 Contingent and indirect indebtedness

The Group does not have any material contingent or indirect indebtedness as of the date of the Prospectus beyond that described in the tables above.

# 9 SELECTED FINANCIAL AND OTHER INFORMATION

## 9.1 Presentation of Financial Information

The following selected financial information has been extracted from the Company's audited consolidated financial statements for the years ended 31 December 2020, 2019 and 2018 (the Annual Financial Statements).

The Annual Financial Statements for the financial years ended 31 December 2020, 2019 and 2018, included in Appendix B to this Prospectus, have been prepared in accordance with IFRS.

The selected consolidated financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Annual Financial Statements included in Appendix B of this Prospectus and should be read together with Section 10 "Operating and financial review".

## 9.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please refer to note 3 of the Annual Financial Statements, included in this Prospectus as Appendix B.

## 9.3 Results of operations

The following table summarises data of the Company's consolidated historical results of operations, and is extracted from the Company's audited consolidated Annual Financial Statements for the financial years ended 31 December 2020, 2019 and 2018.

| *In USD thousand* | **Years ended 31 December** | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| **Total revenue and other operating income** | **31,034** | **8,464** | **1,941** |
| Total operating expenses | 46,969 | 19,185 | 13,916 |
| Operating profit/(loss) before depreciation and amortization (EBITDA) | (15,936) | (10,721) | (11,975) |
| Depreciation and amortization | 2,582 | 1,666 | 1,066 |
| Operating result | (18,517 | (12,387) | (13,041) |
| Net financial income (expenses) | (16,619) | (133) | 18 |
| Income tax | (656) | (44) | - |
| **Profit/(loss) for the year** | **(34,481)** | **(12,475)** | **(13,023)** |

## 9.4 Balance sheet

The following table shows summarised historical balance sheet data related to the Group's activities, and is extracted from the Company's audited consolidated Annual Financial Statements for the financial years ended 31 December 2020, 2019 and 2018.

| *In USD thousand* | **As at 31 December** | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Total non-current assets | 115,692 | 32,390 | 7,274 |
| Total current assets | 262,108 | 42,772 | 28,836 |
| **Total assets** | **377,800** | **75,163** | **36,110** |
| Total equity | 288,406 | 56,027 | 28,464 |
| Total non-current liabilities | 23,602 | 3,907 | 2,915 |
| Total current liabilities | 65,791 | 15,229 | 4,730 |
| **Total liabilities** | 89,393 | 19,136 | 7,646 |
| **Total equity and liabilities** | **377,800** | **75,163** | **36,110** |

### 9.5 Summarised cash flow information

The following table summarises the Group's historical cash flows and is extracted from the Company's audited consolidated Annual Financial Statements for the financial years ended 31 December 2020, 2019 and 2018.

| *In USD thousand* | **Year ended 31 December** | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Cash flow from operating activities | 17,426 | (2,486) | (8,481) |
| Cash flow from investing activities | (34,441) | (9,226) | (153) |
| Cash flow from financing activities | 231,079 | 25,460 | 33,894 |
| Net change in cash and cash equivalents | 214,064 | 13,748 | 25,260 |
| Cash and cash equivalents at end of period | 256,120 | 40,851 | 27,843 |

### 9.6 Consolidated statement of changes in equity

The table below sets out selected data from the Company's consolidated statement of changes in equity, and is extracted from the Company's audited consolidated Annual Financial Statements for the financial years ended 31 December 2020, 2019 and 2018.

| *In USD thousands* | **Share capital** | **Share premium** | **Share-based payments reserves** | **Translation differences** | **Retained earnings** | **Total equity** |
|---|---|---|---|---|---|---|
| **Balance 1 January 2018** | **52** | **24,349** | **–** | **–** | **(13,538)** | **10,864** |
| Adjustments from NGAAP to IFRS | – | – | 1,151 | – | (3,054) | (1,903) |
| **Balance 1 January 2018** | **52** | **24,349** | **1,151** | **–** | **(16,592)** | **8,960** |
| Profit/(loss) for the year | – | – | – | – | (13,023) | (13,023) |
| Currency translation differences | (80) | (3,848) | (98) | (35) | 1,755 | (2,307) |
| Total comprehensive income/(loss) for the year | (80) | (3,848) | (98) | (35) | (11,269) | (15,330) |
| Issuance of shares | 1,362 | 34,769 | – | – | – | 36,131 |
| Transaction costs on equity issues | – | (1,832) | – | – | – | (1,832) |
| Share option program | – | – | 534 | – | – | 534 |
| **Balance 31 December 2018** | **1,334** | **53,439** | **1,586** | **(35)** | **(27,860)** | **28,464** |
| **Balance 1 January 2019** | **1,334** | **53,439** | **1,586** | **(35)** | **(27,860)** | **28,464** |
| Profit/(loss) for the year | – | – | – | – | (12,475) | (12,475) |
| Currency translation differences | (9) | 844 | (15) | (15) | 223 | 1,028 |
| Total comprehensive income/(loss) for the year | (9) | 844 | (15) | (15) | (12,252) | (11,447) |
| Issuance of shares | 148 | 40,510 | – | – | – | 40,658 |
| Transaction costs on equity issues | – | (2,172) | – | – | – | (2,172) |
| Share option program | – | – | 524 | – | – | 524 |
| **Balance 31 December 2019** | **1,473** | **92,621** | **2,095** | **(50)** | **(40,112)** | **56,026** |
| **Balance 1 January 2020** | **1,473** | **92,621** | **2,095** | **(50)** | **(40,112)** | **56,026** |
| Profit/(loss) for the year | – | – | – | – | (34,481) | (34,481) |
| Currency translation differences | 334 | 21,480 | 378 | (325) | (4,780) | 17,088 |
| Total comprehensive income/(loss) for the year | 334 | 21,480 | 378 | (325) | (39,261) | (17,393) |
| Issuance of shares | 3,421 | 253,520 | – | – | – | 256,940 |
| Transaction costs on equity issues | – | (10,237) | – | – | – | (10,237) |
| Share option program | – | – | 3,069 | – | – | 3,069 |
| **Balance 31 December 2020** | **5,228** | **357,383** | **5,542** | **(375)** | **(79,373)** | **288,406** |

## 9.7 The Group's reporting segment

The Group's business is to develop a game-based learning platform. The Company's operating revenue is generated by sale of access to the Kahoot! platform through paid subscriptions. Although subscriptions are sold to different categories of user groups, the product sold is similar for all user groups, but with a tailored content offering. Thus, the Group operates in one single reporting segment: sales of software to make learning awesome. The Group is monitored at total Group figures and other measures that reflect the increased number of paid subscriptions such as subscriptions and free cash flow. The Board of Directors is the Group's chief operating decision maker. Please see note 3 in the Annual Financial Statements for additional explanation regarding the Group's single reporting segment.

## 9.8 Key financial information by geographic area

The table below sets out the Company's consolidated operating revenue, as extracted from the Annual Financial Statements for the financial years ended 31 December 2020, 2019 and 2018.

| *In USD thousand* | **Year ended 31 December** | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| U.S. and Canada | 14,016 | 3,906 | 1,004 |
| Europe | 12,320 | 3,018 | 578 |
| Asia Pacific | 2,618 | 874 | 210 |
| Latin America and The Caribbean | 1,298 | 425 | 88 |
| Africa, Middle East and India | 780 | 241 | 60 |
| **Total** | **31,034** | **8,464** | **1,941** |

# 10 OPERATING AND FINANCIAL REVIEW

*This operating and financial review should be read together with Section 4 "General information", Section 6 "Business of the Group", Section 9 "Selected Financial and Other Information", the Annual Financial Statements and related notes included in Appendix B of this Prospectus. The tables containing figures in this Section are extracted from the selected financial information from the financial statements stated in Section 9 "Selected Financial and Other Information" above.*

*The Annual Financial Statements as of, and for the years ended, 31 December 2020, 2019 and 2018 have been prepared in accordance with IFRS. The Annual Financial Statements have been audited by Deloitte, as set forth in their auditor reports included therein. This operating and financial review contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business, strategy and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors" and Section 4.3 "Cautionary note regarding forward-looking statements" of this Prospectus, as well as other Sections of this Prospectus. An overview of the APMs discussed in this operating and financial review is presented in Section 4.2.3 "Alternative performance measures (APMs)".*

## 10.1 Overview

The Kahoot! platform has a global base of participating users. By creating a powerful and engaging learning experience, the Kahoot! platform is developed and designed to become the leading learning platform in the world.

Since 2018, when Kahoot! began to commercialise access to the Kahoot! platform by selling premium subscriptions to its users, paid subscriptions have been the Group's main source of revenue. Most of the Group's subscribers comprise formerly free users who have upgraded to a subscription solution.

During 2020, there were more than 24 million active accounts on the Kahoot! platform, whereof more than seven million were teachers and other educators. In 2020, more than 100 million users generated Kahoots and more than 250 million games were played. The Group experienced strong growth in paid subscriptions reaching more than 550 thousand paying subscribers by end of the financial year ended 31 December 2020 (excluding active users of Actimo), which is an increase of approximately 380 thousand subscribers, or 222%, from 31 December 2019 to 31 December 2020. The Group's growth is primarily driven by accelerated momentum within all user groups for the Group's offerings and the continued strong growth in number of active accounts.

Kahoot! intends to continue its growth in number of paid subscribers by leveraging the reputation and strength of Kahoot!'s brand and the rise of demand for online learning tools. Due to the scalability of the Kahoot! platform, the Group plans to focus on acquiring and retaining higher-paying corporate subscribers through continuous improvement of the Kahoot! offerings in order to further drive profitability.

## 10.2 Significant factors affecting the Group's results of operations and financial performance

The Group's operations and results of operations have been, and may continue to be, affected by a range of factors, many of which are beyond the Group's control. The factors that the Executive Management believes have had a material effect on the Group's results of operations and financial performance during the periods under review, as well as those considered likely to have a material effect on its results of operations and financial performance in the future, are described in the following.

### *10.2.1 Growth in paid subscriptions and ratio of paid subscriptions to total active accounts*

The basic version of the Kahoot! platform is available for free on a global basis, and the vast majority of the Group's active accounts comprises non-subscription (or free) users. Kahoot! began to commercialise access to the Kahoot! platform by selling premium subscriptions to users of the Kahoot! platform primarily within the corporate and the educational markets in 2018. Paid subscriptions have since become the Group's main source of revenue, accounting for 91.5%, 93.7% and 96.6% of the Group's revenue for the financial years ended 31 December 2018, 2019 and 2020, respectively.

Most of the Group's paying subscribers comprise formerly free users who have upgraded to a paid subscription plan, and the Group believes that its large user base represents a significant source of potential future subscribers. As a result, the Group considers it critically important to its future financial performance that it continues to grow its user base, including free users, by ensuring it maintains high levels of user engagement, brand awareness and goodwill as it increasingly introduces new subscription-based products, services and functionalities on the Kahoot! platform.

The table below sets out an approximate number of active accounts during the financial years ended 31 December 2020, 2019 and 2018, and number of paid subscriptions as of 31 December 2020, 2019 and 2018.

| | As of 31 December | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Active accounts (in millions)[1] | 24 | 16 | 12 |
| Users with paid subscriptions (in thousands)[2] | 550 | 171 | 46 |

1 Unique user accounts hosting a game with one or more participants in the last 12 months ending on 31 December.

2 Number of paid subscriptions does not include number of active users of Actimo, which as of 31 December 2020 was 125 thousand.

Since the Group first began selling subscriptions in 2018, the total number of active accounts (including both subscribers and free users) have increased at a compounded annual growth rate of approximately 41%, from approximately 12 million active accounts as of 31 December 2018 to approximately 24 million active accounts by 31 December 2020, illustrating the high levels of customer engagement on the Kahoot! platform. The Group's subscriptions have increased at a compounded annual growth rate of approximately 246%, from approximately 46 thousand paid subscriptions as of 31 December 2018 to approximately 550 thousand paid subscriptions by 31 December 2020 (excluding active users of Actimo), while revenue from contracts with customers increased at a compounded annual growth rate of 317% and its Invoiced Revenue increased at a compounded annual growth rate of 261% over the same period. The Group’s ability to grow revenues are demonstrated by the ARR, which illustrates the rate the revenue is growing at by annualizing the recurring revenues in a month. The ARR by the end of 2020 increased by USD 45.6 million, or 317% from the ARR by the end of 2019. The ARR in 2019 increased by USD 11 million, or 324%, from the ARR in 2018.

The table below sets out the Company's consolidated revenue from contracts with customers and Invoiced Revenue for the financial years ended 31 December 2020, 2019 and 2018.

| *in USD thousand* | Years ended 31 December | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Invoiced Revenue | 45,280 | 13,041 | 3,480 |
| Revenue from contracts with customers | 30,859 | 8,464 | 1,775 |

The table below sets out the Group's ARR for the months ended 31 December 2020, 2019 and 2018.

| *in USD million* | Years ended 31 December | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| ARR by the end of the year | 60.0 | 14.4 | 3.4 |

The Group has experienced strong user and subscriber year on year growth in all its geographical markets in 2018, 2019 and 2020, where the most important markets for the Group is the largest economies, such as the U.S. and Canada, and Europe. This viral growth is reinforced by the user-generated nature of content on the platform. As more content is created, the user experience becomes more compelling for new users and subscribers.

The table below sets out the Group's total revenues and other operating income by geographic region during the years ended 31 December 2020, 2019 and 2018.

| *In USD thousand* | Year ended 31 December | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| U.S. and Canada | 14,016 | 3,906 | 1,004 |
| Europe | 12,320 | 3,018 | 578 |
| Asia Pacific | 2,618 | 874 | 210 |
| Latin America and The Caribbean | 1,298 | 425 | 88 |
| Africa, Middle East and India | 780 | 241 | 60 |

| *In USD thousand* | Year ended 31 December | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| **Total revenue and other operating income.........** | **31,034** | **8,464** | **1,941** |

The Group believes that the higher rate of growth in the number of paid subscriptions than in its overall user base, as reflected by the increase in its ratio of subscriptions to total active accounts, demonstrates the progress of its subscription-based model in monetising the Group's user base to drive revenue growth. At the same time, the relatively low ratio of paid subscriptions to total active accounts highlights the significant opportunity represented by its user base as a potential source of future paid subscriptions.

The Group's future financial performance therefore depends on its success in continuing to both increase its number of paid subscriptions in absolute terms as well as growing the ratio of its paid subscriptions to its total number of active accounts in order to drive revenue growth.

As a result, a key pillar of the Group's business model is to offer attractive features to its large, non-paying user base which are designed to encourage them to upgrade to paid subscriptions and eventually upgrade their subscription to include further offerings. The Group believes that free users are motivated to convert to paid subscriptions due to the significant value of paid subscription-only features for the relatively low subscription cost to the user. A key focus area within this pillar is to continue to offer and expand attractive features included in the subscriptions offered to the Kahoot! at Work user group to further drive conversions to paid subscriptions. The prices for work subscription plans are higher than for home or school subscription plans. The growth in paid subscriptions within the Kahoot! at Work user group is important to the financial performance of the Group, as this is a significant driver of revenues growth. The Group has also recently released a series of new subscription-based products, including the Kahoot!+ premium plans, Kahoot! EDU, Kahoot! Academy, Kahoot! Publisher and Kahoot! 360. The Group believes that development of such new offerings are instrumental in continuously increasing its ratio of paid subscriptions to total active accounts.

### *10.2.2 Reputation and strength of the Kahoot! brand*

The Group believes that key factors driving its conversion of free users to paid subscribers, and its growth in number of subscribers generally, include Kahoot!'s brand recognition and reputation, which is a key aspect of the Group's viral distribution model, both by potential customers searching the internet and by word-of mouth referrals. The Kahoot! platform is largely self-serve in nature, requiring very limited marketing or other interaction with Kahoot! personnel in order for both free users and paid subscribers to enjoy the platform's features. The Group has been active since 2012 and its presence in its key markets in North America and Europe since that time has led to what the Group believes is a broad acceptance of Kahoot! offerings among educators and increasingly among corporate customers. A key factor in expanding Kahoot!'s subscriber base is therefore maintaining this level of acceptance to ensure that Kahoot! continues towards the vision of building the leading digital learning platform in the world.

### *10.2.3 Retain and activate existing users*

The Group's success depends not only on attracting new subscribers, but also on retaining existing subscribers by keeping them active. The Group believes that active users are more likely to continue to use the Kahoot! platform and become paying subscribers and keep subscribing to the Group's offerings. In order to enhance the likelihood that a free user becomes a paying subscriber, a subscriber renews its subscription on the Kahoot! platform and a subscriber potentially upgrades its subscription, the Group has to continuously demonstrate the value of its offerings and ensure that the Kahoot! platform behaves as expected with seamless, uninterrupted performance. It is also integral that users, such as teachers and corporate organisations, and partners such as Marvel and National Geographic, continue to develop and maintain content that excites users and convinces them to keep returning to the Kahoot! platform. The Group aims to continue to offer extended subscription plans enabling the Group to differentiate on subscription price points creating opportunities to upsell.

The Group is as well focused on improving retention and activation by rolling out its offerings within corporate organisations. The Group seeks to become the preferred digital learning platform across larger enterprises with focus from presenter centric to learner centric subscription plans. Enterprise-wide rollout has a significant impact on the Group's revenues.

### *10.2.4 Scalability of the Kahoot! platform*

The scalability of the Kahoot! platform is expected to have a significant effect on the Group's future profitability. The Kahoot! platform represents largely fixed-cost for the Group, and the Group incurs only marginal costs to add a new user, convert a free user to a paying subscriber or upgrade paying subscribers to higher-value offerings. The Group's cost structure already reflects the activity level of the users and paying subscribers on the Kahoot! platform. Most of the paying subscribers are usually users prior to becoming paying subscribers. As a consequence, the revenue generated by each new paid subscription or upgraded subscription is largely profit.

The Group believes that its efficient user and subscriber acquisition model is primarily a consequence of the viral nature of its brand recognition and general customer awareness of Kahoot! as well as the self-serve nature of the Kahoot! platform. The continued financial performance of the Group therefore depends in part on its success in maintaining low operating costs even as the Group grows its subscriber base and upsells its subscribers on higher-value subscriptions.

The success of this model, and the level of profitability it is able to generate, requires that users be able to continue to operate on the platform and purchase subscriptions without needing cost-intensive marketing or personal assistance from the Group. At present, the Group does not believe it is required to invest material amounts in marketing its products and services in order to reach new users and subscribers. The Group recognizes the potential need for some increased marketing spend in order to attract new corporate subscribers.

The success of the Group's low-cost model also depends on the Group's future investment in developing and optimising its offerings. The Group spends a material amount each year on development in order to develop its offerings and maintain the Kahoot! platform. In order to maintain the scalable nature of its platform, the Group will have to maintain development spending at a low level per user and per subscriber. At the same time, the market for online learning products is highly competitive and thus requires that the Group continually invest in continued improved product offerings.

### *10.2.5 Subscriber and subscription mix*

The mix of subscribers and subscription packages among the Group's user categories has, and will continue to have, a significant impact on its results. The Group's subscription packages for educators and for home use carry substantially lower prices than subscriptions for corporate users. This price structure reflects the Group's philosophy that Kahoot! should be accessible to individuals and educators at a low cost to help nurture online learning. By accommodating the price sensitivity inherent among educators and home users, the Group believes these lower subscription costs facilitate the viral nature of the Group's business model, reducing the barriers to further adoption among a broad base of users.

Due to the scalability of the Kahoot! platform and the marginal additional cost of adding a user or subscriber or upgrading a subscriber's subscription, acquiring and retaining higher-paying corporate subscribers represents substantially higher profits for the Group than acquiring and retaining subscribers in the education and home user categories.

The tables below set out the number of subscribers represented by each of the three main categories of user groups for the financial years ended 31 December 2020, 2019 and 2018.

| *Number of subscribers in thousands* | **As at 31 December** | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Kahoot! at Home | 200 | 24 | 5 |
| Kahoot! at School | 230 | 75 | 16 |
| Kahoot! at Work | 120 | 72 | 25 |
| **Total** | **550** | **171** | **46** |

In order for the Group to further drive profitability, it is therefore essential that the Group continues to maintain the Kahoot! platform and develop new features attractive to the corporate market.

The Group's future profitability also depends on its ability to upgrade its paying subscribers from its basic packages to premium subscriptions and to develop and add new products and services on the Kahoot! platform. The continuous improvement and expansion of the Group's offering encourages the users to become subscribers and subscribers to upgrade their subscription. Additionally, the improved offering also enables the Group to increase subscription prices.

The Group's new products include the Kahoot!+ premium plans, Kahoot! EDU, Kahoot! Academy, Kahoot! Publishing and Kahoot! 360. In keeping with the Group's pricing philosophy, the new product lines targeting corporate customers carry higher subscription prices than those targeting educational and family customers. See Section 6 "Business of the Group" for further information regarding the Group's offerings. While there are incremental costs inherent in the development of these new products, the Group benefits from the scalability of its platform, making upgrades highly profitable. Key factors influencing a subscriber's decision to purchase additional products or expand the capabilities of their existing subscription include the utility of additional features in comparison with Kahoot!'s more basic functions.

*10.2.6 Demand for online learning tools*

Demand for the Group's products is significantly influenced by larger trends in digitalised learning and mobile gaming, along with in-person training augmented by online tools. Over the past several years, the Group has witnessed a fundamental shift in how digital tools are being used in companies, organisations, in social contexts and in educational institutions. As self-study and online learning has increased in popularity, the Group's offerings have seen a significant increase in downloads and usage for home-schooling and remote classes, and organisations of all sizes are increasingly using Kahoot! for remote training, sharing knowledge and building their corporate cultures.

The Group believes that trends in the industry of digital learning, and their impact on the Group's active accounts and subscriber bases, are driven by a number of factors such as accelerating digitalisation, increasing need for employee connectivity and engagement solutions as well as increasing adoption of interactive solutions, including technological development, educational policy and the needs of businesses for cost-effective training tools. More specifically and as described in more detail in Section 7.3 "Key drivers and trends":

- **Accelerating digitalisation**: The rise in penetration of mobile devices and the reduced costs of access to data, in addition to the introduction of cloud computing infrastructure as well as a supportive political backdrop and continued government investments, have provided a constructive backdrop for digital learning and engagement solutions. The process of digitalisation has been accelerated by the Covid-19 pandemic and the resulting social distancing and lockdown measures implemented by governments worldwide.

- **Employee connectivity and engagement**: The evolving nature of work and access to mobile and cloud technologies have enabled modern corporations and their employees to operate in an increasingly dynamic and distributed manner. With globally distributed workforces, software connectivity solutions are pivotal to ensure the smooth functioning of organizations, by allowing employees to remain connected to colleagues, external parties and teams.

- **Increasing adoption of interactive solutions**: The use of interactive solutions as a way of delivering education and engaging with learners as well as employees has become more commonplace and is expected to play a key role going forward as the digitalisation of learning and engagement solutions advances.

- **Corporate learning**: Corporates are expected to drive growth of spend on digital learning and engagement solutions to improve learning experience, reduce the capital intensity of delivering education, ensure team connectivity, engagement and collaboration in remote working settings, and ultimately remain competitive in a rapidly changing technological landscape.

- **K-12 and higher education learning**: Digital solutions are gaining traction and are well suited to scale the mass personalisation of education and improve learning outcomes as their integration to the learning environment can bridge many of the shortfalls of traditional education in classroom-based, teacher-centred settings, including limitations around personalised teaching, student disengagement, and scarce opportunities to apply theoretical knowledge.

Since the launch of the Kahoot! platform in 2013, the Group has witnessed a rise of mobile devices and high-quality mobile networks as well as a fundamental shift in how digital tools are used by companies, educational institutions and in social contexts as a result of trends influencing digital learning and engagement. The Covid-19 pandemic has cemented the Group's strong market position by driving a step change in digital adoption through mass adoption of new technologies for remote working and learning. The Group further believes that its continued growth will depend in part on trends in online learning progressing along the same, or a broadly similar, trajectory as they have since 2018.

The Group's products and services experienced a surge in popularity due in part to the Covid-19 pandemic and the subsequent transition to various levels of distance learning and remote working across the globe. In February 2020, the Group went from the number 34 rank to the number 5 rank in terms of supplementary education apps according to industry source Qustodio. While the Group is unable to directly quantify the impact of the Covid-19 pandemic on the growth of its user and subscriber bases and its results, the financial year ended 31 December 2020 was its strongest in terms of growth in number of active accounts, subscriptions and Invoiced Revenue since the Kahoot! platform was first launched.

The Group nonetheless believes that trends in online learning will continue to support its user, subscriber and revenue growth, including after the Covid-19 pandemic has subsided.

### *10.2.7 Continuous improvement of Kahoot!'s offerings*

The Group believes that the quality of its offerings is an integral driver of its financial performance. Given that the Group operates in highly competitive markets where user experience and platform feature play a key role in conversion of users and retention of subscribers. The continuous improvement and expansion of the Group's offerings encourages the users to become paying subscribers and subscribers to upgrade their subscription. Additionally, the improved offering also enables the Group to introduce new subscription plans. The Group is constantly developing and releasing new platform features and subscription-based products in order to grow its user base and increase its conversion rate.

As the Company further develops its existing products and adds additional offerings to its platform, user engagement further accelerates and consequently drives the viral growth of the ecosystem. This viral growth is reinforced by the user-generated nature of content on the platform. Enabling users to create their own content drives enhanced user engagement, stickier adoption and keeps the content of the Group's offering current and relevant. The Group has also partnered with Disney, Marvel, Britannica, Cambridge University Press and National Geographic among others to create content on the Kahoot! platform. As more content is created, the user experience becomes more compelling for new organisations and teachers looking for materials to use or to mix and match with their own content.

The Group continuously assess options to expand and enhance its platform either through own development, partnering with companies or through acquisitions. Kahoot! has executed five transactions over the last two years, primarily to expand the functionality of its learning platform, but also to expand the functionality beyond learning and training. Through these acquisitions, Kahoot! has acquired technological capabilities and enriched its learning platform by expanding into gamified learning applications (DragonBox and Poio), language learning functionality (Drops), employee engagement capabilities (Actimo) and online whiteboard tool for teachers and classrooms (Whiteboard). Kahoot! has improved its acquisition capabilities over recent years, and is capable of executing multiple acquisitions at the same time and integrated acquired companies successfully in a short time frame.

The Group believes that acquisitions will continue to be an important pillar of improving and expanding the Kahoot! platform and growth in users and subscribers going forward.

The Group believes the quality of the Group's product development and engineering team is instrumental to its success. For the financial year ended 31 December 2020, the Group's product development and engineering team comprised 107 full-time employees (FTE), which are tasked with improving and optimise performance of the Group's offerings. With 1.5 billion participating non-unique players during 2020, the Group views each product development team's contribution to making learning awesome and improve and optimise the Group's offerings as significant. The Group is focused on attracting and retaining top talent within these fields.

The Group believes that the key factors driving attraction and retention of talented employees are the financial success of the Group's business and the appeal of its corporate culture. The Group's growth since 2018 has been a major contributor in attracting high performing talent. Furthermore, the Group believes that its mission statement to "make learning awesome!" has also resonated with candidates who wish to make a sustainable contribution to society.

The Group has implemented the share incentive scheme as further described in Section 12.4.4 "Share incentive schemes", among other tools, to motivate performance amongst all its employees. Inherent in this share incentive scheme are certain additional costs, including social security contributions, which have had a material impact on the Group's results in the past and are likely to continue to do so in the future.

### *10.2.8 Foreign currency effects*

Due to the broad scope of the Group's international operations, a substantial portion of its assets, liabilities, sales and expenses are denominated in currencies other than USD. The Group's revenues are predominantly denominated in USD, which make up approximately two thirds of the historical revenues. Further, the Group also has revenues in EUR, GBP, DKK and NOK in addition to other currencies. Due to its base of operations in Norway, the majority of the Group's historical operating expenses are in NOK. Additionally, the Group has operating expenses in GBP, EUR, DKK and USD. As a consequence, fluctuations in the exchange rates between its key revenue currencies and operating expense currencies, particularly NOK, can impact the Group's profitability.

The exchange rates between the Group's main revenue currency, USD, and main operating expense currency, NOK, has fluctuated significantly in recent years and may continue to do so in the future. During the financial year 2020, the USD has seen substantial variations in value against NOK, with a steep appreciation at the height of global market uncertainties in the spring of 2020 related to the Covid-19 pandemic followed by a significant depreciation. Such foreign exchange movements can have a material impact on the Group's revenue and costs, as well as on the Group's reported profitability. Further, the parent company Kahoot! ASA had its functional currency in NOK for the periods covered by the Annual Financial Statements and is holding a significant part of its contributed cash from 2020 in USD. Fluctuation in USD versus NOK has impacted the Group's net financial income (expense).

Such increases and decreases can, in turn, impact the trading price of the Shares, its ability to secure financing and its capacity to pay dividends. The Group does not hedge its foreign currency translation risk exposure.

Changes in the exchange rates between these currencies can also affect the Group's operations and financial position, as a result of translational exchange rate effects. These effects arise because the financial results of the Group's subsidiaries are measured in the currency of the primary economic environment in which the subsidiary operates (its functional currency). The results of operations and assets and liabilities of the Company's global subsidiaries are, therefore, measured in currencies other than the functional currency for the parent company and are retranslated to USD for presentation of the Group's financial results, assets and liabilities in the Group's financial statements. Consequently, fluctuations in the applicable foreign currency exchange rates may increase or decrease the USD value of the Group's non-USD assets, liabilities, sales, costs and order intake.

## 10.3 Recent developments and trends

Except as set out in Sections 10.12 "Significant changes", the Group has not experienced nor does it have any information about significant changes compared with historical trends in production, sales, costs and selling prices, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for the current financial year. Except for the information provided in Section 10.12 "Significant changes", the Group has not experienced any significant changes in the financial performance of the Group since 31 December 2020 and until the date of this Prospectus.

## 10.4 Financial review of the Group's results of operations

### *10.4.1 Description of income statement line items*

Set forth below is a brief description of the composition of certain line items of the income statement. This description must be read in conjunction with the significant accounting policies in this Section and in the notes to the Annual Financial Statements set forth in this Prospectus.

*Revenue*

The Group's revenue is generated from five different licenses of which Kahoot! is the main product.

The Kahoot! license is sold either through the Company's website or through the relevant Apps. The Apps are itself downloaded for free, but it is possible to sign up for different subscriptions based on a monthly subscription price (through an in-app purchase). The subscription is cloud-based. It is presented in different ways for the different categories of user groups. As part of the integration of the acquired businesses, these offerings are or will be integrated in the Kahoot! license.

The subscriptions are purchased and prepaid (mostly 12 months) and not customized to the individual customers. The Kahoot! products purchased are mainly paid upfront by credit cards based on subscription periods.

In addition, the Group has licenses such as DragonBox, Poio, Drops and Actimo. DragonBox and Poio are both integrated in the Kahoot! license and sold separately. The DragonBox license is sold to schools and as separate apps. In addition to be a part of the Kahoot! license Poio is sold separately as app.

The newly acquired licenses; Actimo and Drops are currently sold as separate licenses only but will be integrated in the Kahoot! license.

The Drops offerings are sold either through their website or through its Apps. It is possible to sign up for different subscriptions through an in-app purchase. The subscriptions are offered with monthly payment, yearly payment and life-time payment. Life-time payment means a one-time payment for lifetime access. The subscriptions are mainly paid upfront with credit cards based on subscription periods.

Actimo sells app licenses to employers so they can more easily communicate with their employees. The app is an easy to use onboarding tool that is integrated with corporate communications and specifically designed for the needs of non-desk workers. Actimo delivers the online platform and the customer add their own content to the platform. The customer grants access to the service and license is invoiced with a license fee. The license gives the customer access to a platform that enable the customers to train, communicate and support their employees.

*Operating expenses*

Operating expenses are mainly comprised of direct cost of sales, employee benefit expenses and other operating expenses. Employee benefit expenses includes cost such as salaries paid to employees, social security tax, pensions and share-based payments. Other operating expenses consist mainly of IT and hosting services, consulting services and other operating expenses.

*Depreciation and amortization*

Depreciation and amortization consist of depreciations associated with the Group's intangible assets, leased assets and other equipment. Amortization is particularly related to internally generated intangible assets and acquired technology and brand. Depreciation is mainly related to depreciation of leased property and equipment.

*Operating result*

Operating result is comprised of total revenue after deducting operating expenses and depreciation and amortization.

*Net financial income (expenses)*

Net financial income (expenses) include net interest income primarily from cash and cash equivalents, net foreign exchange gains and losses and other financial expenses.

*Income tax*

Income tax income consist of any current income tax in accordance with the Group's tax returns and deferred taxes.

*Profit/(loss) for the year*

Profit/(loss) for the year is comprised operating result after deducting net financial income (expenses) and income tax.

*10.4.2* Results of operations for the financial year ended 31 December 2020 compared to the year ended 31 December 2019

The table below summarises data of the Group's historical results of operations and is extracted from the Company's audited consolidated Annual Financial Statements for the financial years ended 31 December 2020 and 2019.

| *In USD thousand* | **Year ended 31 December** | |
|---|---|---|
| | **2020** | **2019** |
| **Total revenue and other operating income** | **31,034** | **8,464** |
| Operating expenses | 46,969 | 19,185 |
| Operating profit/(loss) before depreciation and amortization (EBITDA) | (15,936) | (10,721) |
| Depreciation and amortization | 2,582 | 1,666 |
| Operating profit/(loss) | (18,517) | (12,387) |
| Net financial income (expenses) | (16,619) | (133) |
| Income tax | (656) | (44) |
| **Profit/(loss) for the year** | **(34,481)** | **(12,475)** |

The table below summarises data of the Group's historical alternative performance measures as further described in Section 4.2.3 "Alternative performance measures (APMs)" for the financial years ended 31 December 2020 and 2019.

| *In USD thousand* | **Year ended 31 December** | |
|---|---|---|
| | **2020** | **2019** |
| EBITDA | (15,936) | (10,721) |
| Adjusted EBITDA | 2,337 | (6,593) |
| EBITDA Margin | (51.4)% | (126.7)% |
| Adjusted EBITDA Margin | 7.5% | (77.9)% |
| Invoiced Revenue | 45,280 | 13,041 |
| Annual Recurring Revenue (ARR) | 60,000 | 14,400 |
| Monthly Recurring Revenue (MRR) | 5,000 | 1,200 |

*Total revenue and other operating income*

Total revenue and other operating income for the financial year ended 31 December 2020 was USD 31,034 thousand, including USD 175 thousand in other operating income, compared to total revenue of USD 8,464 thousand for the financial year ended 31 December 2019. The increase of USD 22,569 thousand, or 267%, in revenue was due to the increase in Invoiced Revenue, which grew by USD 32,239 thousand, or 247%, to USD 45,280 thousand for the year ended 31 December 2020 from USD 13,041 thousand for the corresponding period in 2019, mainly as a result of the strong growth in the subscriber base and the ability to commercialize Kahoot!'s offerings.

The subscriber base grew by 222% from 31 December 2019 to 31 December 2020, where the Kahoot! at Home user group had the largest absolute and percentage increase of 733%, followed by Kahoot! at School of 207% and Kahoot! at Work with 67%. The increase in paying subscribers is driven by the increase in active accounts on the Kahoot! platform during the year, and the Group's efforts to turn free users into paying subscribers, demonstrated by the increase in its ratio of subscriptions to total active accounts. The Group believes that the more frequent and repeat usage of the Kahoot! platform drives user engagement and fuels the viral distribution model, which increase the user base and convert more free users to paying subscribers. The Group has improved the user experience by adding new free and premium tools and features, expanded the platform functionality by offering language learning (Drops), employee engagement (Actimo), reading (Poio) and math (DragonBox) learning programs and generated more content through its partners and users. The user experience has also been improved by integrating the Kahoot! platform with collaboration platforms such as Microsoft Teams, Google Classroom and Apple Schoolwork. The improved user experience is the key driver for the Group's commercializing of the Kahoot! platform. The premium content and increased interaction experience at an affordable price point attracted more free users to become paying subscribers. The Group's improved product offering and differentiated subscription plans also encouraged more existing subscribers to upgrade their subscription plan in 2020, contributing to the increase in revenues. The Group also introduced new subscription plans at higher price points in 2020, further contributing to the increase in revenues.

*Total operating expenses*

Total operating expenses for the financial year ended 31 December 2020 was USD 46,969 thousand, compared to USD 19,185 thousand for the financial year ended 31 December 2019. The increase of USD 27,784 thousand, or 145%, in operating expenses was principally due to the increase in employee benefit expenses of USD 19,483 thousand mainly as a result of the increase in payroll taxes related to the Group's share incentive program, which increased as a result of the 333% increase in the trading price of the Shares in 2020. Further, the increase is also driven by the expansion of the Group; Poio and DragonBox are included in the 2020 financial figures with full year effect. Additionally, increased use of consultants to improve the Group's offering and costs related to the offering processes contributed to the increase in other operating expenses of USD 5,415 thousand. Direct cost of sales, which include credit card and app store fees, also increased by USD 2,885 thousand, primarily as a result of the increase in revenues.

*Depreciation and amortisation*

Depreciation and amortization expenses for the financial year ended 31 December 2020 was USD 2,582 thousand, compared to USD 1,666 thousand for the financial year ended 31 December 2019. The increase of USD 916 thousand, or 55%, was mainly due to the acquisition of Actimo and Drops in 2020 of which a significant amount relates to amortization of acquired technology. Additionally, the amortization increased as a result of the full year effect of the amortization of the acquired technology related to the acquisitions of DragonBox and Poio.

*Operating profit/(loss)*

The Company's consolidated operating loss for the financial year ended 31 December 2020 was USD 18,517 thousand, compared to an operating loss of USD 12,387 thousand for the financial year ended 31 December 2019. The increased loss of USD 6,130 thousand was principally driven by the factors described above.

*Net financial income (expenses)*

For the financial year ended 31 December 2020, the Company had on a consolidated basis net financial expenses of USD 16,619 thousand, compared to net financial expenses of USD 133 thousand for the financial year ended 31 December 2019. The increase in financial expenses was mainly caused by exchange rate differences on foreign currency held in the Company. The majority of the Group's liquidity is held in USD as this is the expected acquisition currency.

*Income tax*

Income tax for the financial year ended 31 December 2020 was USD (656) thousand, compared to USD (44) thousand for the financial year ended 31 December 2019. The positive increase of USD 612 thousand, was partly due to a realized tax benefit following the acquisition of Drops and partly due to amortisation of deferred tax liabilities related to purchase price allocations.

*Profit/(loss) for the year*

The Company's consolidated loss for the financial year ended 31 December 2020 was USD 34,481 thousand, compared to a loss of USD 12,475 thousand for the financial year ended 31 December 2019. The increased loss of USD 22,006 thousand was principally driven by the factors described above.

*Operating profit/(loss) before depreciation and amortization (EBITDA)*

EBITDA for the financial year ended 31 December 2020 was USD (15,936) thousand, compared to USD (10,721) thousand for the financial year ended 31 December 2019. The decrease of USD 5,215 thousand was primarily due to the increased effect of share-based payments and related social security cost in 2020. The Group's cost structure reflects the activity level of the users and paying subscribers on the Kahoot! platform. As a consequence, the revenue generated by each new paid subscription or upgraded subscription is largely profit. The increase in the Group's EBITDA Margin from (126.7)% to (51.4)% from 2019 to 2020 was hence primarily due to the strong growth in number of paid subscribers for all the Group's subscription plans in 2020. The Group's improved product offering and differentiated price points also encouraged more paid subscribers to upgrade their subscription plan, contributing to increased upselling and improved EBITDA Margin.

*Operating profit/(loss) before depreciation and amortization and special operating items (Adjusted EBITDA)*

The Group's Adjusted EBITDA increased by USD 8,930 thousand from USD (6,593) thousand for the financial year ended 31 December 2019 to USD 2,337 thousand for the financial year ended 31 December 2020. Adjustments related to share-based payments increased by USD 13,499 thousand in 2020 compared to 2019, primarily as a result of the 333% increase in the trading price of the Shares in 2020. The Group also had listing costs and higher acquisition related costs in 2020 compared to 2019. The Adjusted EBITDA Margin increased from (77.9)% for the financial year ended 31 December 2019 to 7.5% for the financial year ended 31 December 2020 and was primarily due to the factors discussed above. Please see Section 4.2.3 "Alternative performance measures (APMs)" for further details.

### *10.4.3* Results of operations for the financial year ended 31 December 2019 compared to the financial year ended 31 December 2018

The table below summarises data of the Group's historical results of operations and is extracted from the Company's audited consolidated Annual Financial Statements for the financial years ended 31 December 2019 and 2018.

| *In USD thousand* | **Year ended 31 December** | |
|---|---|---|
| | **2019** | **2018** |
| **Total revenue and other operating income** | **8,464** | **1,941** |
| Operating expenses | 19,185 | 13,916 |
| Operating profit/(loss) before depreciation and amortization (EBITDA) | (10,721) | (11,975) |
| Depreciation and amortization | 1,666 | 1,066 |
| Operating result | (12,387) | (13,041) |
| Net financial income (expenses) | (133) | 18 |

| *In USD thousand* | Year ended 31 December | |
|---|---|---|
| | **2019** | **2018** |
| Income tax | (44) | - |
| **Profit/(loss) for the year** | **(12,475)** | **(13,023)** |

The table below summarises data of the Group's historical alternative performance measures as further described in Section 4.2.3 "Alternative performance measures (APMs)" for the financial years ended 31 December 2019 and 2018.

| *In USD thousand* | Year ended 31 December | |
|---|---|---|
| | **2019** | **2018** |
| EBITDA | (10,721) | (11,975) |
| Adjusted EBITDA | (6,593) | (9,762) |
| EBITDA Margin | (126.7)% | (617.0)% |
| Adjusted EBITDA Margin | (77.9)% | (502.9)% |
| Invoiced Revenue | 13,041 | 3,480 |
| Annual Recurring Revenue (ARR) | 14,400 | 3,360 |
| Monthly Recurring Revenue (MRR) | 1,200 | 280 |

*Total revenue and other operating income*

Total revenues and other operating income for the financial year ended 31 December 2019 was USD 8,464 thousand compared to total revenues of USD 1,941 thousand for the financial year ended 31 December 2018 (which includes other operating income of USD 166 thousand in 2018). The increase of USD 6,523 thousand, or 336%, in revenues was due to the increase in Invoiced Revenue, which grew by USD 9,561 thousand, or 275%, to USD 13,041 thousand for the year ended 31 December 2019 from USD 3,480 thousand for the corresponding period in 2018, mainly as a result of the larger subscriber base and the ability to commercialize Kahoot!'s offerings.

Subscriptions are the key revenue driver with the Kahoot! at Work subscriptions providing the strongest margin returns. In 2019 the number of business subscriptions increased by 47 thousand from approximately 25 thousand on 31 December 2018 to approximately 72 thousand on 31 December 2019. Paid subscriptions within the Kahoot! at School user group increasing by 59 thousand from 16 thousand on 31 December 2018 to 75 thousand subscribers on 31 December 2019, and paid subscriptions within the Kahoot! at Home user group increasing by 19 thousand from 5 thousand on 31 December 2018 to 24 thousand subscribers on 31 December 2019. The increase in subscriptions is driven by the increase in active accounts of 33% on the Kahoot! platform during the year, and the Group's efforts to turn users into paid subscribers. The Group believes that the more frequent and repeat usage of the Kahoot! platform drives user engagement and fuels the viral distribution model, which increase the user base and convert more free users to paying subscribers. The Group has improved the user experience by adding new free and premium tools and features and generated more content through its partners and users. The improved user experience is the key driver for the Group's commercializing of the Kahoot! platform. The premium content and increased interaction experience at an affordable price point attracted more free users to become paying subscribers.

*Operating expenses*

Operating expenses for the financial year ended 31 December 2019 was USD 19,185 thousand, compared to USD 13,916 thousand for the financial year ended 31 December 2018. The increase of USD 5,269 thousand, or 38%, in operating expenses was principally due to the increase in employee benefit expenses of USD 2,548 thousand mainly as a result of the increase in payroll taxes related to the Group's share incentive program. Additionally, increased use of consultants to improve the Group's offering and transaction costs related to the acquisitions of Poio and DragonBox contributed to the increase in other operating expenses of USD 1,980 thousand. Direct cost of sales, which include credit card and app store fees, also increased by USD 741 thousand, primarily as a result of the increase in revenues.

*Depreciation and amortisation*

Depreciation and amortisation expenses for the financial year ended 31 December 2019 was USD 1,666 thousand, compared to USD 1,066 thousand for the financial year ended 31 December 2018. The increase of USD 600 thousand was due to the increase in the amortisation of intangible assets as a result of the acquired intangible assets of Poio and DragonBox.

*Operating profit/(loss)*

The Company's consolidated operating loss for the financial year ended 31 December 2019 was USD 12,387 thousand, compared to an operating loss of USD 13,041 thousand for the financial year ended 31 December 2018. The decrease in losses of USD 655 thousand was primarily driven by the factors discussed above.

*Net financial income (expenses)*

Net financial expenses for the financial year ended 31 December 2019 was USD 133 thousand, compared to net financial income of USD 18 thousand for the financial year ended 31 December 2018. The increase in financial expenses of USD 150 thousand was mainly caused by an increased currency loss of USD 154 thousand, the effect of including a full year of interest on the lease obligation of USD 82 thousand, and increased other financial expenses of USD 152 thousand, partly offset by increased interest income of USD 238 thousand primarily due to larger cash balance during 2019.

*Income tax*

Income tax for the financial year ended 31 December 2019 was USD 44 thousand, compared to nil for the financial year ended 31 December 2018. The increase of USD 44 thousand, was due to amortisation of deferred tax liabilities related to purchase price allocations in connection with the acquisitions.

*Profit/(loss) for the year*

The Company's consolidated loss for the financial year ended 31 December 2019 was USD 12,475 thousand, compared to a loss of USD 13,023 thousand for the financial year ended 31 December 2018. The decreased loss of USD 548 thousand was principally driven by the factors described above.

*Operating profit/(loss) before depreciation and amortization (EBITDA)*

EBITDA for the financial year ended 31 December 2019 was USD (10,721) thousand, compared to USD (11,975) thousand for the financial year ended 31 December 2018. The improvement of USD 1,254 thousand was primarily due to the growth in revenues outpaced the growth in the Group's expenses. The Group's EBITDA Margin improved from (617.0)% to (126.7)% and was primarily due to the strong growth in number of paying subscribers for all the Group's subscription plans in 2020, especially the 188% growth in the Kahoot! at Work subscriptions. The Kahoot! at Work subscriptions have higher price points and thereby higher margin contribution than the other subscription plans. The Group's improved product offering and differentiated price points also encouraged more paid subscribers to upgrade their subscription plan.

*Operating profit/(loss) before depreciation and amortization and special operating items (Adjusted EBITDA)*

The same pattern is reflected in Adjusted EBITDA which improved by USD 3,169 thousand from USD (9,762) thousand for the financial year ended 31 December 2018 to USD (6,593) thousand for the financial year ended 31 December 2019. Adjustments related to share-based payments increased by USD 1,568 thousand in 2019 compared to 2018, primarily as a result of the increase in the Group's valuation in 2019. The Group also had acquisition related costs of USD 347 thousand in 2019. The Group's Adjusted EBITDA Margin improved from (502.9)% for the financial year ended 31 December 2018 to (77.9)% for the financial year ended 31 December 2019 and was primarily due to the factors discussed above. Please see Section 4.2.3 "Alternative performance measures (APMs)" for further details.

## 10.5 Financial review of the Company's consolidated balance sheet

### *10.5.1 Description of balance sheet line items*

Set forth below is a brief description of the composition of certain line items of the Company's consolidated balance sheet statement. This description must be read in conjunction with the significant accounting policies in this Section and in the notes to the Annual Financial Statements set forth in this Prospectus.

*Total non-current assets*

Total non-current asset comprises mainly of goodwill and other intangible assets, such as capitalized development, acquired technology and brand. Capitalized right of use assets, mainly related to house rental contracts are also a part of non-current assets.

*Total current assets*

Total current assets comprise mainly cash and cash equivalents.

*Total assets*

Total assets are the total of non-current assets and current assets.

*Total equity*

Total equity is the sum of contributed capital (share capital and share premium), share-based payments reserve, translation differences and accumulated loss.

*Total non-current liabilities*

Total non-current liabilities are lease liabilities and deferred tax liabilities.

*Total current liabilities*

Total current liabilities consist of contract liabilities (deferred revenue), trade payables, other current liabilities and current portion of lease liabilities.

*Total liabilities*

Total liabilities are the total of non-current liabilities and current liabilities.

### *10.5.2 Financial position as at 31 December 2020 compared to 31 December 2019*

The table below shows summarised historical balance sheet data related to the Company's activities, and is extracted from the Company's audited consolidated Annual Financial Statements for the financial years ended 31 December 2020 and 2019.

| *In USD thousand* | **As at 31 December** | |
|---|---|---|
| | **2020** | **2019** |
| Total non-current assets | 115,692 | 32,390 |
| Total current assets | 262,108 | 42,772 |
| **Total assets** | **377,800** | **75,163** |
| Total equity | 288,406 | 56,027 |
| Total non-current liabilities | 23,602 | 3,907 |
| Total current liabilities | 65,791 | 15,229 |
| **Total liabilities** | 89,393 | 19,136 |
| **Total equity and liabilities** | 377,800 | **75,163** |

The Group had assets of USD 377,800 thousand as of 31 December 2020, compared to USD 75,163 thousand as of 31 December 2019. The increase of USD 302,637 thousand, or 403% was primarily related to the acquisitions of Actimo and Drops totalling USD 76,080 thousand and net effect of USD 246,703 thousand from the issuance of shares.

Total equity increased from USD 56,027 thousand as of 31 December 2019 to USD 288,406 thousand as of 31 December 2020. The increase of USD 232,380 thousand was primarily a result of the issuance of shares which contributed net after transaction costs with USD 246,703 thousand. This was partly offset by total comprehensive loss for the period with USD 39,261 thousand and the increase in share-based payment reserve of USD 3,069 thousand.

The Group had total non-current liabilities of USD 23,602 thousand as of 31 December 2020, compared to USD 3,907 thousand as of 31 December 2019. The increase of USD 19,696 thousand was mainly due to the non-current part of earnout agreement related to the acquisition of Drops of USD 15,182 thousand and increase in deferred tax liabilities following the acquisition of Actimo and Drops of USD 4,674 thousand.

Total current liabilities as of 31 December 2020 amounted to USD 65,791 thousand, compared to USD 15,229 thousand as of 31 December 2019. The increase of USD 50,562 thousand was mainly related to increased deferred revenue of USD 21,827 thousand following the increase in Invoiced Revenues, the provision for the payroll tax related to share-based payments of USD 9,740 thousand and the current part of the earnout agreements related to the acquisitions of Actimo and Drops of USD 12,162 thousand.

### *10.5.3 Financial position as at 31 December 2019 compared to 31 December 2018*

The table below shows summarised historical balance sheet data related to the Company's activities, and is extracted from the Company's audited consolidated Annual Financial Statements for the financial years ended 31 December 2019 and 2018.

| *In USD thousand* | **As at 31 December** | |
|---|---|---|
| | **2019** | **2018** |
| Total non-current assets | 32,390 | 7,274 |
| Total current assets | 42,772 | 28,836 |
| **Total assets** | **75,163** | **36,110** |
| Total equity | 56,027 | 28,464 |
| Total non-current liabilities | 3,907 | 2,915 |
| Total current liabilities | 15,229 | 4,730 |
| **Total liabilities** | 19,136 | 7,646 |
| **Total equity and liabilities** | 75,163 | 36,110 |

The Group had assets of USD 75,163 thousand as of 31 December 2019, compared to USD 36,110 thousand as of 31 December 2018. The increase is primarily related to the goodwill acquired related to the acquisitions of Poio and DragonBox and cash obtained from the issuance of shares.

The Group had equity of USD 56,027 thousand as of 31 December 2019, compared to USD 28,464 thousand as of 31 December 2018. The increase is mainly related to the issuance of 13.5 million Shares during the year. The Group had total non-current liabilities of USD 3,907 thousand as of 31 December 2019, compared to USD 2,915 thousand as of 31 December 2018 due to the recognition of a deferred tax liability of USD 1,346 thousand related to the difference in the accounting and tax treatment of acquired intangible assets. Total current liabilities as of 31 December 2019 amounted to USD 15,229 thousand, compared to USD 4,730 thousand as of 31 December 2018. The increase is mainly increased deferred revenue of USD 4,446 thousand following the increased sale of subscriptions and USD 3,257 thousand of social security tax liabilities on share-based payments.

## 10.6 Liquidity and capital resources

### *10.6.1 Sources and use of cash*

The Group's primary source of liquidity is equity injected by its shareholders as well as its cash flow from operations.

The Group's liquidity requirements consist primarily of funding of the Group's growth strategy and current operations, including acquisitions to expand and improve the Group’s offerings, costs to keep and further increase its user base, operational costs and other working capital requirements.

As of 31 December 2020, the Group had USD 256 million (equivalent) of available cash, which is primarily held in USD and an equity to total assets ratio of 76.3%. The Group’s estimated equity to total assets ratio and cash and cash equivalents as of 31 December 2020, as adjusted for the payment of additional consideration related to the acquisition of Drops and the acquisition of Whiteboard, was 76.6% and USD 248,421 thousand. For more information about the capitalisation and net financial indebtedness of the Group, please see Section 8 "Capitalisation and indebtedness".

The cash flow from operating activities was positive in the year ended 31 December 2020. When assessing future growth opportunities, the Group is looking at developing its own platform or software, entering partnerships with others and acquisitions. The Group's expected liquidity needs for the 12-month period following the date of this Prospectus primarily relate to future strategic acquisitions. The Group continuously evaluates complementary acquisition targets that can be added to its platform to either strengthening its existing product offering or expanding into adjacent markets.

The Group's ability to generate cash from its operations depends on the Group's future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, political, regulatory and other factors, many of which are beyond the Group's control, as well as other factors discussed in the Section 2 "Risk factors".

The Group’s objectives for capital management are to ensure that it maintains sufficient free liquidity with regards to cash and cash equivalents in order to support its business and obligations as well as having sufficient flexibility to invest in attractive investment opportunities. For the year ended 31 December 2020 the cash flow from operating activities was positive and the Group did not have any borrowings.

### *10.6.2 Cash flows*

The following table sets out financial information extracted from the cash flow statement relating to the Group for the financial years ended 31 December 2020, 2019 and 2018:

| *In USD thousand* | | **As at 31 December** | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Cash flow from operating activities | 17,426 | (2,486) | (8,481) |
| Cash flow from investing activities | (34,441) | (9,226) | (153) |
| Cash flow from financing activities | 231,079 | 25,460 | 33,894 |
| Net change in cash and cash equivalents | 214,064 | 13,748 | 25,260 |
| Cash and cash equivalents at end of period | 256,120 | 40,851 | 27,843 |

#### 10.6.2.1 Financial year ended 31 December 2020 compared to the financial year ended 31 December 2019

**Net cash flow from operating activities**

Net cash inflow from operating activities for the financial year ended 31 December 2020 was USD 17,426 thousand compared to a net cash outflow of USD 2,486 thousand for the financial year ended 31 December 2019. The increase in cash inflow of USD 19,912 thousand was primarily due to the increase in Invoiced Revenues of USD 32,239 thousand, which was only partly offset by increased employee benefit costs of USD 5,984 thousand, excluding the non-cash items related to the share-based payment expense and the share-based payment social security tax. Cost of sales and other expenses also increased by USD 8,299 thousand in 2020 compared to 2019, of which the cash effects are only slightly lower due to the increase in trade payables and other accruals.

**Net cash flow from investing activities**

Net cash used in investing activities for the financial year ended 31 December 2020 was USD 34,441 thousand compared to USD 9,226 thousand used for the financial year ended 31 December 2019. The increased outflow of USD 25,215 thousand was primarily due to the acquisitions of Actimo and Drops in 2020, where the net cash consideration was USD 19,531 thousand and USD 14,696, respectively.

**Net cash flow from financing activities**

Net cash inflow from financing activities for the financial year ended 31 December 2020 was USD 231,079 thousand compared to USD 25,460 thousand for the financial year ended 31 December 2019. The increased inflow of USD 205,619 thousand was primarily due to net proceeds from the issuance of shares.

#### 10.6.2.2 Financial year ended 31 December 2019 compared to the financial year ended 31 December 2018

**Net cash flow from operating activities**

Net cash outflow from operating activities for the financial year ended 31 December 2019 was USD 2,486 thousand compared to a net cash outflow of USD 8,481 thousand for the financial year ended 31 December 2018, primarily due to increase in Invoiced revenue of USD 9,561 thousand from 2018 to 2019. This was offset by increased employee benefit expenses adjusted for the share-based payment expense and the social security tax related to share-based payments (which is non-cash expense) with USD 981 thousand and cost of sales and other expenses of USD 2,722 thousand.

**Net cash flow from investing activities**

Net cash used in investing activities for the financial year ended 31 December 2019 was USD 9,226 thousand compared to USD 153 thousand for the financial year ended 31 December 2018. The increased outflow of USD 9,073 thousand was primarily due to the acquisitions of Poio and DragonBox.

**Net cash flow from financing activities**

Net cash inflow from financing activities for the financial year ended 31 December 2019 was USD 25,460 thousand compared to USD 33,894 thousand for the financial year ended 31 December 2018, a decrease of USD 8,434 thousand primarily due to a USD 7,882 thousand decrease in the proceeds from shares issued during the year.

## 10.7 Investments

### *10.7.1 Principal investments in progress and planned principal investments*

As at the date of this Prospectus, Kahoot! does not have any material investments in progress nor have any firm commitments already been made in respect of any material investments. However, and as described in Section 10.6.1 "Sources and use of cash", the Group continuously evaluates complementary acquisition targets that can be added to the Kahoot! platform to either strengthening the Group's existing product offering or expanding into adjacent markets and which is also part of the Company's strategy as further described in Section 6.3.2 "Expanding platform functionality and geographical footprint through strategic partnerships and non-organic growth".

### *10.7.2 Historical investments*

The historical capital expenditure of the Group arises primarily from the acquisitions of Poio, DragonBox, Actimo and Drops. For information concerning the Company's recent acquisition of Whiteboard made in February 2021, please see Section 10.12 "Significant changes".

The table below shows the principal historical capital expenditure of the Group for the financial years ended 31 December 2020, 2019 and 2018:

| *In USD thousand* | | **As at 31 December** | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Acquisition of Poio | – | (6,225) | – |
| Acquisition of DragonBox | – | (17,317) | – |
| Acquisition of Actimo | (32,962) | – | – |
| Acquisition of Drops | (43,118) | – | – |
| Property, plant and equipment | (165) | (247) | (134) |
| **Total capital expenditure** | **(76,215)** | **(23,789)** | **(134)** |

For the financial year ended 31 December 2020, total capital expenditures amounted to USD 76,215 thousand, of which USD 32,962 thousand stemming from the acquisition of Actimo and USD 43,118 thousand from the acquisition of Drops. These acquisitions were partly financed with issuance of new Shares, partly by earn out agreements and partly by cash consideration. In relation to the acquisition of Actimo, Shares of USD 5,643 thousand were issued and the value of the earnout agreement at the transaction date were USD 6,285 thousand, consequently a total of USD 11,928 as non-cash consideration. In relation to the acquisition of Drops, Shares of USD 6,073 thousand were issued and the value of the earnout agreement was valued at the transaction date to USD 20,673 thousand. The total non-cash consideration in relation to the acquisition of Drops was USD 26,746 thousand. Net cash outflow from investments in the financial year ended 31 December 2020 was USD 34,441 thousand, of which net USD 19,531 thousand related to the acquisition of Actimo and net USD 14,696 thousand related to the acquisition of Drops.

For the financial year ended 31 December 2019, total capital expenditures amounted to USD 23,789, of which USD 6,225 thousand stemming from the acquisition of Poio and USD 17,317 thousand from the acquisition of DragonBox. These acquisitions were partly financed with issuance of Shares, of which Shares of USD 3,803 thousand were issued in relation to the acquisition of Poio and USD 10,633 thousand were issued in relation to the acquisition of DragonBox. Net cash outflow from investments in the financial year ended 31 December 2019 was USD 9,226 thousand, of which net USD 2,335 thousand were related to the acquisition of Poio and net USD 6,661 thousand were related to the acquisition of DragonBox.

For the financial year ended 31 December 2018, total capital expenditures amounted to USD 153 thousand, mainly relating to purchase of equipment.

10.7.2.1 Earnouts relating to the acquisitions of Actimo and Drops

Pursuant to the terms of the transaction agreements pertaining to the Company's acquisition of Actimo and Drops, a part of the consideration payable by the Company is performance-based and conditional upon certain criteria and thresholds being achieved, which, with respect to the Company's acquisition of Actimo is based on the ARR as of 31 March 2021, and with respect to the Company's acquisition of Drops is based on Invoiced Revenue targets for the financial years 2020, 2021 and 2022. With respect to the acquisition of Drops, the performance-based consideration is subject to a minimum level.

If the criteria and thresholds are achieved with respect to the acquisition of Actimo, and the higher levels of the performance-based consideration with respect to the acquisition of Drops, a part of the consideration payable by the Company shall be settled by issuance of new Shares in the Company. Assuming a trading price of the Shares equal to the applicable trading price at the time of completion of the acquisition of Actimo and Drops, and that the criteria and thresholds are achieved, a minimum of 620,878 new Shares and a maximum of 1,497,328 new Shares will be issued by the Company.

## 10.8 Borrowings and other contractual obligations

### *10.8.1 Restrictions on use of capital*

There are currently no restrictions on the use of the Group's capital resources that have materially affected or could materially affect, directly or indirectly, the Group's operations. The Group does not have any borrowings and is therefore no subject to any debt covenants. The Group does not believe that there are significant obstacles or barriers to transfers of funds to it from its subsidiaries.

## 10.9 Off-balance sheet arrangements

The Group did not have any off-balance sheet arrangements as of 31 December 2020.

## 10.10 Financial risk management

The Group operates internationally and is exposed to various financial risks such as market risk (including currency risk, interest risk, and price risk), credit risk, liquidity and going concern risk. The Executive Management performs continuous evaluations of these risks and related processes established to manage them within the Group.

***Management of currency risk***

The Group presents its financial statements in USD. The Group operates in Norway, the U.S., the U.K., France, Finland, Estonia, Denmark and Spain and have costs in local currencies while a major part of the Group's revenues are in USD, but also in EUR and GBP. Any fluctuations in exchange rates between NOK, USD, EUR, GBP and DKK could materially and adversely affect the Group's business, results of operations, financial condition, cash flow and prospects. The Group does currently not have any currency hedging arrangements in place to limit the exposure to exchange rate fluctuations.

***Management of liquidity and going concern risk***

Liquidity is monitored centrally across the Group. It is the Group's strategy to have sufficient cash and cash equivalents at any time to fund its operations and investments according to the Company's strategic plans. The Group monitors its liquidity risk through a short-term and a long-term liquidity forecast to manage the target of a minimum position of cash imposed by the Board of Directors. The Group's financial liabilities are mainly trade payables and public dues.

***Interest rate risk management***

The Group has at the date of this Prospectus no interest-bearing borrowings, and has therefore not adopted any specific procedures to manage interest rate risk. The Group had, however, cash and cash equivalents of USD 256 million as of 31 December 2020 which is exposed to interest rate risk.

***Management of capital***

The Group's objectives for capital management are to ensure it maintains sufficient free liquidity with regards to cash and cash equivalents in order to support its business and obligations as well as having sufficient flexibility to pursue attractive investment opportunities. The Group manages its capital structure in light of changes in economic and actual conditions, and the development in the groups underlying business. The Group's equity ratio was 76.3% as of 31 December 2020. The Group does not have any interest-bearing loans or capital requirements defined by third parties.

The Group has so far not had any expressed goals or requirements in relation to management of capital.

## 10.11 Summary of significant accounting policies

### *10.11.1 Overview*

The Group's general accounting policies are summarised in Note 3 and significant account principles are summarised in the relevant notes to the Annual Financial Statements, attached hereto as Appendix B. Summarised below are those accounting policies that require management to apply judgements which management believes to have the most significant effect on the amounts recognised in the Annual Financial Statements.

Future events and changes in operating parameters may make it necessary to change estimates and assumptions. New interpretations of standards may result in changes in the principles chosen and presentation. Such changes will be recognised in the Annual Financial Statements when new estimates are prepared and whenever new requirements with regard to presentation are introduced.

### *10.11.2 Critical accounting estimates and assumptions*

The following is a summary of estimates and assumptions which may have a material effect on the accounts if changed in subsequent periods.

*Business combinations*

The Company's acquisition of each of Actimo and Drops required the use of critical judgements and significant estimates when identifying and valuing intangible assets.

Relief-from-royalty method have been applied to measure the fair value of the technology and the brand. The relief from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The valuation is based on projected cash flows for the next six years, which includes estimated revenue growth. These cash flows are adjusted for assumptions about churn, attrition, and relief of royalty rate (cost saving from owning the technology and brand). The cash flows are discounted using a cost of capital rate between 10.5% - 12%. The relief of royalty rate related to technologies is assumed to be 30% and for the brands 2%. The brands are assumed to have indefinite life and technology seven years.

*Earnout agreements*

Measurement of the contingent liabilities relating to the acquisitions of Actimo and Drops in 2020 required the use of critical judgements and significant estimates when valuing the liability. The nominal value of contingent liabilities is determined by certain criteria and thresholds achieved after the close of the acquisitions. The earnout relating to Actimo is determined based on the Annual Recurring Revenue (ARR) as of 31 March 2021. The earnout relating to Drops is determined based on invoiced revenue targets in 2020, 2021 and 2022 subject to a net cash flow conversion condition. Given the contingent liability will be determined and settled in the future, the nominal value is discounted to present value. The discount rate is estimated using the risk-free rate in which the acquired companies operate, market premium, asset beta, small stock and country risk premium. It is assumed that equity financing is the optimal capital structure as of reporting date.

*Revenue recognition*

For revenue recognition related to the sale to schools, certain judgements were applied. This relates both to whether upgrades were considered a separate performance obligation and the assessment if the licenses were a right to access or right to use license. The discussions were related to the customer expectations and the nature of upgrades. The customer expects to have a product ready for use that includes the content for a whole year at the time the customer receives the license key. Further, the license was to be installed at the customer premises. Following this it was concluded that this was a right to use the license and recognized at a point in time. There were limited argumentation supporting a recognition according to right of access the license. Upgrades were not considered a separate performance obligation as they mainly related to bugfixes in order to deliver the agreed license.

Drops subscription is sold with different subscription period. One of the subscriptions is life time access for the customer, which is paid upfront. The Drops revenue is recognized over time. Accordingly, the Group needs to assess the expected lifetime of an active user. It is evident that the user lose interest in the app after a period of time. The Group has assessed that using the history of the paid annual subscriptions adjusted for retention would be a good approximation of the period of which the transaction price should be allocated to. Currently this is two year. There are no significant financing element.

*Intangible assets*

Judgement are applied when identifying projects that might qualify for capitalisation as internally generated intangible assets. Further the timing of the capitalization are assessed whether to capitalize as development or if it is research or maintenance.

### 10.12 Significant changes

The most significant changes in the financial position of the Group since 31 December 2020 have been:

- On 12 February 2021, the Company settled the additional consideration of USD 5,748 thousand upon satisfaction of the performance-based threshold related to the earnout issued in connection with the acquisition of Drops. The additional consideration was settled by issuance of 121,618 new Shares at a subscription price per Share of NOK 116.30, and the payment of USD 4,109 thousand as consideration to the previous owners of Drops upon satisfaction of the performance-based threshold for the financial year 2020 (as further described in Section 10.7.2.1 "Earnouts relating to the acquisitions of Actimo and Drops").

- On 23 February 2021, Kahoot! acquired 100% of the shares in Digital Teaching Tools Finland Ltd. (Whiteboard), the company behind Whiteboard.fi, for an initial consideration of USD 6 million, in addition to a performance-based element of up to USD 6 million depending on Whiteboard's performance for the financial years 2021 and 2022. The initial purchase price of USD 6 million was settled by payment of USD 3.6 million in cash and USD 2.4 million by issuance of consideration Shares. The Company has accordingly issued 184,892 new Shares at a subscription price per Share of NOK 110.39. The performance-based element is based on Whiteboard reaching certain targets for the financial years 2021 and 2022 concerning Invoiced Revenue, EBITDA Margin and net cash flow divided by Invoiced Revenue, and will be settled in a combination of cash and additional consideration Shares. The performance-based element consists of two tranches, of which USD 3 million will be settled based on the performance-based elements for the financial year ending 31 December 2021 and the remaining USD 3 million will be settled based on the performance-based elements for the financial year ending 31 December 2022.

  Whiteboard launched commercially in Finland in 2020 by offering premium content through paid subscriptions in addition to their free offering. Whiteboard has grown its active user base with 400% over the last 6 months, reaching more than 7 million users within the 30-day period in January 2021. The majority of Whiteboard's users are teachers in the United States and the United Kingdom.

  Whiteboard is an instant formative assessment tool for the classroom, providing teachers with live feedback and immediate overview over their students. The software used by Whiteboard turns tablets into digital whiteboards and notebooks for the teachers and students, where they can draw, write, make notations on images, solve math equations and more. Teachers can see their students' whiteboards in real time and follow their progress, while the students only see their own whiteboard and the teacher's.

  Through this acquisition, Kahoot! plans to expand its platform and provide more powerful learning and engagement tools for teachers leveraging the Kahoot! platform, making it easier for them to make learning awesome. The acquisition also contributes to the ambition of making Kahoot! the leading learning platform in the world.

Other than as described above, there have been no significant changes in the financial or trading position of the Group since the date of the Annual Financial Statements as of 31 December 2020, included in this Prospectus as Appendix B.

# 11 UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

## 11.1 Introduction

On 5 October 2020, the Company acquired Actimo ApS (Actimo), a Danish company and the developer of the Actimo employee App as further described in Section 6.5.2.2 "Actimo". The acquisition of Actimo is part of the Group's strategy to strengthen the Group's offerings to the Kahoot! at Work user group with employee tools to further enable all organisations to build their corporate culture. The Company believes that Actimo will enhance the Kahoot! platform's corporate learning and engagement solutions by combining the features of employee engagement from the Actimo employee App with the learning approach, scale and reach of Kahoot!.

Further, on 28 November 2020, the Company, acting through its wholly owned subsidiary Kahoot! International AS, completed the acquisition of Plan B OÜ (Drops), an Estonian company that develops the Drops products as further described in Section 6.5.4.3 "Drops". Through the acquisition of Drops, Kahoot! is expanding the Kahoot! platform into language learning. The acquisition of Drops is part of Kahoot!'s strategy to expand into new areas of learning and make Kahoot! a trusted destination for all learners, whether at school, work or home.

Upon completion of the acquisitions, both Actimo and Drops became, directly and indirectly, wholly owned subsidiaries of the Company, and the Company started to consolidate these entities into the Group from their respective acquisition dates. For further information on these acquisitions, the purchase price consideration and preliminary purchase price allocation, please refer to note 4 "Business combinations" and note 11 "Intangible assets" of the Annual Financial Statements included in Appendix B to this Prospectus.

Each of the transactions triggered the requirement to prepare pro forma financial information in accordance with Annex 20 to Commission Delegated Regulation (EU) 2019/980.

No pro forma statement of financial position has been prepared as the transactions have been completed and are reflected in the consolidated statement of financial position of the Company as at 31 December 2020. Please refer to the Annual Financial Statements, included in Appendix B, for further information.

The acquisitions of Actimo and Drops are together referred to as the "**Transactions**".

## 11.2 General information and purpose of the Unaudited Pro Forma Condensed Financial Information

The Unaudited Pro Forma Condensed Financial Information has been prepared by the Company for illustrative purposes only to show how the Transactions might have affected the Company's consolidated statement of profit and loss for the financial year ended 31 December 2020 as if the Transactions had occurred on 1 January 2020.

The Unaudited Pro Forma Condensed Financial Information is based on certain management assumptions and adjustments made to illustrate what the financial results of the Group might have been, had the Company completed the acquisitions at an earlier point in time.

Although the Unaudited Pro Forma Condensed Financial Information is based on estimates and assumptions based on current circumstances believed to be reasonable, actual results could materially differ from those presented herein. There is a greater degree of uncertainty associated with pro forma financial information than with historical financial information. Because of its nature, the Unaudited Pro Forma Condensed Financial Information included herein addresses a hypothetical situation and, therefore, does not represent the Company's consolidated actual financial results of operations for the financial year ended 31 December 2020 and is not representative of the results of operations and financial position of any future periods. The Unaudited Pro Forma Condensed Financial Information is prepared for illustrative purposes only. It does not purport to present what the Company's consolidated results of operations would actually have been had the Transactions been completed on 1 January 2020.

It should be noted that greater uncertainty is associated with unaudited pro forma financial information than actual historical financial information. Prospective investors are cautioned against placing undue reliance on this unaudited pro forma financial information.

The assumptions underlying the pro forma adjustments applied to the historical are described in the notes to the Unaudited Pro Forma Condensed Financial Information. Neither these adjustments nor the resulting Unaudited Pro Forma Condensed Financial Information have been audited in accordance with Norwegian or any other generally accepted auditing standards.

In evaluating the Unaudited Pro Forma Condensed Financial Information, each reader should carefully consider the Annual Financial Statements and the notes included therein and the notes to the Unaudited Pro Forma Condensed Financial Information.

The Unaudited Pro Forma Condensed Financial Information presented below does not include all of the information required for financial statements under IFRS and should be read in conjunction with the Annual Financial Statements as of, and for the financial year ended 31 December 2020, included in Appendix B to this Prospectus.

### 11.3 Basis for preparation

The IFRS accounting policies adopted in the preparation of the Unaudited Pro Forma Condensed Financial Information is consistent with those followed in the preparation of the Company's consolidated Annual Financial Statements for the financial year ended 31 December 2020.

The Transactions are accounted for as an acquisition under IFRS 3 *Business Combinations*. The principles of valuation and allocation as described in IFRS 3 are applied.

The Unaudited Pro Forma Condensed Financial Information has been compiled based on and derived from the Company's consolidated Annual Financial Statements as of and for the financial year ended 31 December 2020 included in Appendix B to this Prospectus, and management accounts for Actimo (for the period from 1 January 2020 to 5 October 2020, the date of the acquisition) and Drops (for the period from 1 January 2020 to 28 November 2020, the date of the acquisition) prepared in accordance with their respective local generally accepted accounting principles ("**GAAP**"), i.e. Danish GAAP with respect to Actimo and Estonian GAAP with respect to Drops.

For the purpose of preparing the Unaudited Pro Forma Condensed Financial Information, the Company has identified and performed local GAAP to IFRS adjustments in order for the management accounts for Actimo and Drops to comply with the Company's accounting policy (IFRS).

The Unaudited Pro Forma Condensed Financial Information has been prepared under the assumption of going concern.

The pro forma adjustments have all continuing impact.

The Unaudited Pro Forma Condensed Financial Information has been compiled to comply with the requirements of the Norwegian Securities Trading Act by reference to the EU Prospectus Regulation regarding information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

### 11.4 Independent practitioner's assurance report on the compilation of pro forma financial information included in a prospectus

With respect to the Unaudited Pro Forma Condensed Financial Information included in this Prospectus, Deloitte applied assurance procedures in accordance with ISAE 3420 "Assurance Engagement to Report Compilation of Pro Forma Financial Information Included in a Prospectus" in order to express an opinion as to whether the Unaudited Pro Forma Condensed Financial Information has been properly compiled on the basis stated, and that such basis is consistent with the accounting policies of the Group. Deloitte has issued an independent assurance report of the Unaudited Pro Forma Condensed Financial Information included as Appendix C to this Prospectus. There are no qualifications or emphasis of matter to this assurance report.

## 11.5 Unaudited Pro Forma Condensed Financial Information

### *11.5.1 Unaudited pro forma condensed profit and loss statement for the financial year ended 31 December 2020*

The table below sets out the unaudited pro forma condensed profit and loss statement for the Group for the financial year ended 31 December 2020, as if the Transactions had taken place on 1 January 2020.

| | **Unadjusted financial information** | | | | | **Unaudited Pro Forma Condensed Financial Information** |
|---|---|---|---|---|---|---|
| *In USD thousand* | **Company (IFRS)** | **Actimo (GAAP)** | **Drops (GAAP)** | **Adjustments GAAP/IFRS** | **Pro forma adjustments** | |
| Total revenue and other operating income | 31,034 | 3,252 | 5,150 | 1,406[1] | - | 40,842 |
| Total operating expenses | 46,969 | 3,012 | 2,229 | 3,235[2] | - | 55,445 |
| Total depreciation and amortization | 2,582 | 703 | 24 | (517)[3] | 3,132[1] | 5,923 |
| Net financial items | (16,619) | (744) | (4) | (9)[4] | - | (17,376) |
| Income tax | (656) | 2 | 890 | (1,049)[5] | (646)[2] | (1,460) |
| Profit/(loss) for the year | (34,481) | (1,209) | 2,003 | (272) | (2,486) | (36,443) |

*GAAP to IFRS adjustments*

*GAAP/IFRS adjustment 1*

This GAAP to IFRS adjustment, leading to an increase of USD 1,406 thousand in total revenue and other operating income relates to differences between IFRS 15 and Estonian GAAP in relation to timing of revenue recognition in Drops.

*GAAP/IFRS adjustment 2*

These GAAP to IFRS adjustments, leading to an increase of USD 3,235 thousand in total operating expenses relates to increased expenses in Drops in connection with timing of recognition of direct cost of sales with USD 2,004 thousand (following IFRS 15) and increased expenses in Actimo following differences related to capitalization of costs in development projects with USD 1,422 thousand and reduced operating expenses following implementation of IFRS 16 and lease obligation of USD 191 thousand.

*GAAP/IFRS adjustment 3*

These GAAP to IFRS adjustments, leading to a reduction of USD 517 thousand in total depreciation and amortization relates to the reversal of capitalisation in Actimo following implementation of IFRS and consequently reduced depreciation of USD 703 thousand. Further, increased depreciations of USD 185 thousand follows from the recognition of right to use assets under IFRS 16 (Leases).

*GAAP/IFRS adjustment 4*

These GAAP to IFRS adjustments, leading to an increase of USD 9 thousand in net financial items relates to increased financial expense of USD 9 thousand in Actimo in connection with recognition of a lease obligation and the related interest expense.

*GAAP/IFRS adjustment 5*

These GAAP to IFRS adjustments, leading to a positive effect of USD 1,049 thousand in income tax in connection with reversal of tax effects related to tax on distributions allocated to previous owners of USD 890 thousand in Drops and reversal of deferred tax assets in Actimo of USD 159 thousand.

*Pro forma adjustments*

*Pro forma adjustment 1*

Represents the pro forma amortization, for the period from 1 January 2020 to the date of consolidation of Actimo (5 October 2020) and Drops (28 November 2020) totalling USD 3,132 thousand. The amortization is related to recognized technology and brand in connection with the purchase price allocation paid for the acquisitions of Actimo and Drops. Please see the table below for the calculation of those amounts.

*Pro forma adjustment 2*

For pro forma purposes, the tax rates applied on pro forma adjustment no. 1 are based on the corporate tax rate for Denmark (with 22% for Actimo) and Estonia (with 20% for Drops), leading to a pro forma adjustment on income tax income with USD 646 thousands. Please see the table below for the calculation of those amounts.

The pro forma adjustments described above have been calculated as follows:

*In USD thousand*

| | Actimo | Drops | Total pro forma adjustment |
|---|---|---|---|
| Technology – historical booked amortization[1] | 275 | 193 | |
| Brand – historical booked amortization[1] | 16 | 12 | |
| Total historical booked amounts[1] | 290 | 205 | |
| Pro forma adjustment 1 - amortization[2] | 875 | 2,257 | 3,132 |
| Tax rate applied for pro forma purposes | 22% | 20% | |
| Pro forma adjustment 2 - income tax expenses /(income)[3] | (195) | (451) | (646) |

1 Represent the historical recognized amortization in the Company as shown in note 11 "Intangible assets" to the Annual Financial Statements as of and for the financial year ended 31 December 2020.

2 Represent the pro forma adjustment on amortization for the period from 1 January 2020 to the date of consolidation of Actimo (5 October 2020) and Drops (28 November 2020), calculated based on their respective carrying amounts in the Annual Financial Statements as of and for the financial year ended 31 December 2020.

3 Represent the pro forma adjustment on income tax related to the pro forma adjustment on amortization, assuming a tax rate of 22% for Actimo and 20% for Drops.

# 12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

## 12.1 Introduction

The General Meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested with the Board of Directors and the Executive Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has one sub-committee, which is the audit committee (see Section 12.9 "Audit committee" below for more information on this committee). The Board of Directors intends to establish a remuneration committee in connection with the Company's annual general meeting in 2021 (see Section 12.10 "Remuneration committee" below). In addition, the Articles of Association provide for a nomination committee (see Section 12.11 "Nomination committee" below for more information on this committee).

The Executive Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer (the "**CEO**"), is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Company's activities, financial position and operating results at a minimum of one time per month.

## 12.2 The Board of Directors

### *12.2.1 Overview*

The Articles of Association provide that the Board of Directors shall consist of between four and eight board members, as elected by the Company's shareholders. The names, positions, current term of office of the Board Members as at the date of this Prospectus are set out in the table below, in addition to the number of Shares and options held by each Board Member.

All Board Members are independent of the Company's executive management (the Executive Management) and no members of the Executive Management serves on the Board of Directors. Except for Harald Arnet who are not considered independent from the Company's larger shareholders representing Datum Group, all Board Members are independent of the Company's larger shareholders (shareholders holding more than 10% of the Shares) and material business associates.

The Company's registered business address, Fridtjof Nansens plass 7, 0160 Oslo, Norway, serves as business address for the members of the Board of Directors in relation to their directorship in the Company.

| Name | Position | Served since | Term expires | Shares | Options |
|---|---|---|---|---|---|
| Harald Arnet[1] | Chairperson | 2018 | 2021 | 52,130,856 | - |
| Sindre Svendsen Østgård[2] | Board Member | 2017 | 2021 | 60,000 | - |
| Stefan Blom | Board Member | 2020 | 2021 | 50,000 | 300,000 |
| Lori Wright[3] | Board Member | 2021 | 2022 | - | 11,556 |
| Joanne Bradford[4] | Board Member | 2021 | 2022 | - | 11,556 |

1 Arnet serves as a member of the Board of Directors representing Datum Group which holds 52,130,865 Shares. The entities in the Datum Group that hold Shares are Datum Opportunity AS, Datum AS, Datum Vekst AS and Datum Eiendom AS.

2 Østgård holds 60,000 Shares, all of which are held through his wholly owned company Konsern AS.

3 Wright holds 11,556 RSUs as further described in Section 12.4.4 "Share incentive schemes".

4 Bradford holds 11,556 RSUs as further described in Section 12.4.4 "Share incentive schemes".

### *12.2.2 Brief biographies of the Board Members*

Set out below are brief biographies of the Board Members. The biographies include each Board Member's relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

**Harald Arnet, Chairperson**

Harald Arnet serves as the chief executive officer, president and partner of the Datum Group, an investment company based in Oslo, Norway, a position he has held over the last 24 years. He has more than 35 years of experience in national and international corporate finance, industrial transactions and financial investments. Mr. Arnet has held management positions in former Samuel Montague & Co., HSBC and Handelsbanken where he held the role as general manager banking and led the corporate finance department in Norway. Mr. Arnet currently serves as a member of the board of directors of Base Bolig AS, Hato Invest AS, Hermia AS and as chairman or board member of a number of companies within the Datum Group. Mr. Arnet has previously served on the board of directors of NRC Group ASA, Fara ASA, NEL ASA, Avocet plc., Q Free ASA, PA Resources ASA and Fesil AS. Mr. Arnet holds a BSBA from University of Denver; USA and executive management courses at London Business School. Mr. Arnet resides in Oslo, Norway.

| | |
|---|---|
| *Current directorships and senior management positions* | *Datum AS (chief executive officer and board member), Datum Vekst AS (chief executive officer and board member), Datum Invest AS (chief executive officer and board member), Datum Opportunity AS (board member), Trojan AS (chief executive officer and board member), Datum Finans AS (chief executive officer and board member), Base Bolig AS (Board member), Hato Invest AS (chief executive officer and chairman), Hermia AS (chief executive officer and chairperson) and Duoro Gold AS (board member).* |
| *Previous directorships and senior management positions last five years* | *NRC Group ASA (board member), Fara ASA (board member), NEL ASA, Fesil AS (board member), Terneholmen Holding AS (board member) and Ternerabben AS (board member).* |

**Sindre Svendsen Østgård, Board Member**

Sindre Svendsen Østgård is the chief executive officer of Konsern AS and co-founder and managing partner at We Are Human, focused on building and investing in early stage technology companies. He has diverse experience in the start-up ecosystem, strategy and corporate innovation, leading product and tech teams, board experience from listed companies to early phase companies, and has a background from the global digital media space as a product manager, head of digital, chief executive officer, consultant and founder. Until October 2016, Mr. Østgård was the chief executive officer of Tinius Trust, the largest shareholder of Schibsted Media Group, taking lead on new growth initiatives focused on finding and funding innovation and growth for Schibsted. Mr. Østgård also has experience from the Norwegian Broadcasting Group where he was part of the digital transformation and building market-leading digital products, from overall strategy to product strategy to operational execution. Mr. Østgård has a Master of Business in Strategy Leadership from the Norwegian School of Economics and Copenhagen Business School. Mr. Østgård resides in Nesodden, Norway.

| | |
|---|---|
| *Current directorships and senior management positions* | *Konsern AS (chief executive officer and chairperson), We Are Human Nordics AS (managing partner), Katapult Group (chairperson), EXP Group AS (chief executive officer), Katapult Ocean (chairperson), Patogen AS (board member) and Kron AS (deputy board member).* |
| *Previous directorships and senior management positions last five years* | *Tinius Trust (chief executive officer), Blommenholm Industrier (chief executive officer) and Discovery International (board member).* |

**Stefan Blom, Board Member**

Stefan Blom has a background as Chief Strategy officer and Chief Content Officer at Spotify, a company that has been fully embraced as a leader in its space. As Chief Strategy Officer, Mr. Blom was responsible for company operations, its global markets, corporate strategy and corporate development globally. In his role as Chief content officer, Mr. Blom led its global licensing, content and creator insights and analytics, editorial, and the content and distribution operations, including expansion to non music audio and building out the marketplace for all content creators. Prior to his career at

Spotify, Mr. Blom had more than 15 years of global experience in the tech, music and entertainment industries. While he held multiple international executive positions at EMI Group and Hutchison Telecom, Stefan was focused on transformational changes to strategy and business models. Mr. Blom studied for a Master of Science at the Royalty Institute of Technology in Stockholm, Sweden. Mr. Blom resides in New York, United States.

| | |
|---|---|
| *Current directorships and senior management positions* ................ | *Storytel AB (publ) (board member), Podimo (chairperson), Kry (advisor and investor) and Voiscooters (advisor and investor).* |
| *Previous directorships and senior management positions last five years* ........................................ | *Spotify (Chief Strategy Officer and Chief Content Officer).* |

**Lori Wright, Board Member**

Lori Wright has broad leadership experience after two decades of working with SaaS and the technology industry where she has had a variety of roles spanning from marketing to sales to operations to product management. Ms. Wright currently serves as vice president at Microsoft, where she leads global partnerships for the Xbox and media & entertainment business. Ms. Wright first joined Microsoft in 2017 as a general manager for Office 365 collaboration apps marketing, which included Microsoft Teams. Prior to her career at Microsoft, Ms. Wright was the chief marketing officer and senior vice president of business alliances at BlueJeans Network, acquired by Verizon, and before BlueJeans, Ms. Wright served as chief marketing officer of TIBCO (NASDAQ: TIBX). Ms. Wright has also served as vice president at Symantec where she held executive positions within Symantec's cloud and enterprise divisions over her 11-year tenure, including a position as general manager of Symantec's emerging technologies and healthcare business groups. Ms. Wright also held previous roles at The Walt Disney Company, helping to build Disney's first enterprise business intelligence platform, as well as PaySys International and Lockheed Martin. Ms. Wright holds a Bachelor of Science in Business Administration, Finance from the University of Central Florida. Ms. Wright resides in Menio Park, California, United States.

| | |
|---|---|
| *Current directorships and senior management positions* ................ | *BOWX Corporation (board member).* |
| *Previous directorships and senior management positions last five years* ........................................ | *None.* |

**Joanne Bradford, Board Member**

Joanne Bradford has more than 25 years of marketing and operations experience in technology, media and financial services. Ms. Bradford has served as an executive at high-growth technology companies, including Yahoo!, Pinterest and SoFi (Social Finance), and gained extensive experience in M&As, fundraising and the IPO process. Ms. Bradford has served on the executive board in a number of organisations, including Wave, Comscore, anti-poverty charity CARE and currently the Unified Access Management provider OneLogin. Today, Ms. Bradford is the president of Honey Science Corporation, an e-commerce technology platform acquired by PayPal in January 2020. Before joining Honey, Ms. Bradford served as chief operating officer and chief marketing officer in SoFi. Prior to that, Ms. Bradford joined Pinterest in 2013, where she served as head of partnerships and led global commercial and content partnerships, platform adoption and monetization efforts. Earlier in her career, she was senior vice president in Yahoo! where she led all sales, marketing and operations across North America. Additionally, Ms. Bradford has held executive leadership positions at The San Francisco Chronicle, Microsoft and BusinessWeek. Throughout her career, she has had significant impact leading product marketing, business development and programming, as well as building global sales and marketing teams. She served as the chief revenue officer at Microsoft. Ms. Bradford's achievements include Forbes Top CMO list, Ad Age 100 Most Influential Women in Advertising and Recipient of the Bill Gates Chairman's Award at Microsoft. She is also a founding advisor to Lean In. Joanne has a Bachelor of Arts in journalism with an emphasis in advertising from San Diego State University. Ms. Bradford resides in San Francisco, California, United States.

| | |
|---|---|
| *Current directorships and senior management positions* ................ | *Social Capital HedoSophia D (independent board member) and OneLogIn (independent board member).* |
| *Previous directorships and senior management positions last five years* ........................................ | *Comscore (independent board member), honey science (president), SoFI (chief marketing officer), PayPal (vice president) and Wave Financials Inc (independent board member).* |

## 12.3 Management

### *12.3.1 Overview of the Executive Management*

Kahoot!'s Executive Management team consists of six individuals. The names of the members of the Executive Management and their respective positions, in addition to their holding of Shares and options in the Company, are presented in the table below.

The Company's registered business address, Fridtjof Nansens plass 7, 0160 Oslo, Norway, serves as business address for all members of the Executive Management in relation to their positions with the Company.

| Name | Position | Held position since | Shares | Options |
|---|---|---|---|---|
| Eilert Giertsen Hanoa[1] | Chief Executive Officer | 2019 | 40,208,910 | 750,000 |
| Ken Østreng | Chief Financial Officer | 2020 | 45,000 | 600,000 |
| Morten Versvik[2] | Chief Technical Officer | 2014 | 12,962,076 | 250,000 |
| Åsmund Furuseth[3] | Chief Product Officer | 2019 | 7,606,000 | 200,000 |
| Lars Erik Grønntun[4] | Chief Operating Officer, Chief Marketing Officer | 2020 | 1,119,960 | 750,000 |
| Mads Rebsdorf[5] | Chief Revenue Officer | 2020 | 100,000 | 400,000 |

1 Hanoa holds 40,208,910 Shares, all of which are held through his wholly-owned company Glitrafjord AS. Additionally, Hanoa holds 750,000 options in the Company.

2 Versvik holds 12,962,076 Shares, all of which are held through his wholly-owned company Versvik Invest AS. Additionally, Versvik holds 250,000 options in the Company.

3 Furuseth holds 7,606,000 Shares, all of which are held through his wholly-owned company Newbrott AS. Additionally, Furuseth holds 200,000 options in the Company.

4 Grønntun holds 1,119,960 Shares, all of which are held through his wholly-owned company Eikum AS. Additionally, Grønntun holds 750,000 options in the Company.

5 Rebsdorf holds 100,000 Shares, all of which are held through his wholly-owned company MREB Invest AS. Additionally, Rebsdorf holds 400,000 options in the Company.

### *12.3.2 Kahoot!'s management team*

Kahoot!'s full team of top leaders, including the Executive Management, consists of in total 24 individuals from around 10 nationalities where 42% are women.

Other than the members of the Executive Management, Kahoot!'s team of top leaders comprises the Group's directors, vice presidents and leaders within the Group's units and various operational functions such as business development, products and services, engineering, human resources, marketing and partner program. Kahoot!'s management team are mainly working out of the Group's offices in Oslo, Copenhagen and Austin while some also work remotely.

### *12.3.3 Brief biographies of the members of the Executive Management*

Set out below are brief biographies of the members of the Executive Management. The biographies include the members of the Executive Management's relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Executive Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

**Eilert Giertsen Hanoa, Chief Executive Officer**

Eilert Giertsen Hanoa is the founder and former chief executive officer of ERP software company Mamut (delisted from the Oslo Stock Exchange when acquired by Visma in 2011), and Director SMB ERP in Visma from 2011 - 2018. He is also a board member of Dagens Næringsliv AS and investor in several start-ups. Mr. Hanoa previously served as chairperson of the Board of Directors from 2014 - 2019. He has studied management and finance at BI Norwegian Business School. Mr. Hanoa resides in Oslo, Norway.

| | |
|---|---|
| *Current directorships and senior management positions* | *AS Real-Forvaltning (chairperson), Glitrafjord AS (chairperson), Dagens Næringsliv AS (board member), SuperOffice AS (board member), Brandbassador AS (board member), Mazemap AS (chairperson), Ledidi AS (chairperson) and Startupabs Founders AS (chairperson).* |
| *Previous directorships and senior management positions last five years* | *Mamut (chief executive officer), Gyldendal ASA (board member) and Kahoot! ASA (chairperson).* |

**Ken Østreng, Chief Financial Officer**

Ken Østreng has been the Chief Financial Officer of the Company since 1 April 2020. Prior to joining Kahoot!, Mr. Østreng held chief executive officer and chief financial officer positions in Confirmit AS; a leading SaaS vendor for multi-channel customer experience, employee engagement, and market research solutions. Mr. Østreng has acted as chief financial officer in both privately held and publicly listed tech companies. He has studied management and finance at BI Norwegian Business School. Mr. Østreng resides in Oslo, Norway.

| | |
|---|---|
| *Current directorships and senior management positions* | *Not applicable.* |
| *Previous directorships and senior management positions last five years* | *Confirmit AS (chief executive officer), Confirmit LTD UK (chairperson), Confirmit Inc (chairperson), Confirmit AB (chairperson), Confirmit Technology Ltd (chairperson), Confirmit Australia Pty Ltd (board member) and IPnett AS (board member).* |

**Morten Versvik, Chief Technical Officer**

Morten Versvik has been the Chief Technical Officer of the Company since 1 July 2014, and is the former chief executive officer of Coepto DA. Mr. Vervik's master's thesis from 2006 was based on the concept of playing on the big screen in cinemas using mobile phones. This idea, developed further in cooperation with professor Alf Inge Wang, led to the creation of Kahoot!. He holds a bachelor's degree in computer science from Oslo University College and a master's degree in computer science from the University of Science and Technology (NTNU). Mr. Versvik resides in Oslo, Norway.

| | |
|---|---|
| *Current directorships and senior management positions* | *Coepto DA (participant with apportioned liability), Versvik Invest AS (chairperson) and All Done AS (chairperson).* |
| *Previous directorships and senior management positions last five years* | *Not applicable.* |

**Åsmund Furuseth, Chief Product Officer**

Åsmund Furuseth has been part of the Executive Management since 2013. Prior to joining Kahoot!, Åsmund Furuseth was chief executive officer and co-founder of a wind turbine technology company called ChapDrive. He has advised, secured funding, invested and served on the board of various start-ups. He has a master's of science in physics from the Norwegian University of Science and Technology. Mr. Furuseth resides in Oslo, Norway.

| | |
|---|---|
| *Current directorships and senior management positions* | *Upwave Technologies AS (board member).* |
| *Previous directorships and senior management positions last five years* | *Symphonical AS (board member).* |

**Lars Erik Grønntun, Chief Operating Officer, Chief Marketing Officer**

Lars Erik Grønntun has over 25 years of experience from leading professional services businesses, initially founding the leading Norwegian communications agency Gambit, later acquired by WPP plc, followed by several leadership roles in global consultancy Hill+Knowlton Strategies, including chief executive officer for the company's EMEA business and as Global President. He is a client counsellor and has advised top executives in companies across a variety of sectors. Mr. Grønntun resides in Oslo, Norway.

| | |
|---|---|
| *Current directorships and senior management positions* | *Eikum AS (managing director) and Ignite AS (managing director).* |
| *Previous directorships and senior management positions last five years* | *Gambit H+K AS (chairperson), Hill + Knowlton Strategies LLC (global president), H+K Strategies Belgium (board member), PBN H+K Kiev (board member), PBN H+K Kazakhstan (board member), PBN H+K Russia (board member), Gulf Hill and* |

| | |
|---|---|
| | *Knowlton WLL (board member) and H+K Strategies Finland (chairperson).* |

**Mads Rebsdorf, Chief Revenue Officer**

Mads Rebsdorf has more than 20 years of experience in the software industry, initially as a software developer and entrepreneur, followed by roles in presales at marketing automation company Agillic and enterprise sales at Oracle. Mr. Rebsdorf was previously the managing director of Visma e-conomic. During his time at Visma, he held several leadership positions and played a central role in expanding the company's presence in Denmark. He holds a MSc in Business Administration and Business Computing from Copenhagen Business School. Mr. Rebsdorf resides in Copenhagen, Denmark.

| | |
|---|---|
| *Current directorships and senior management positions* | *PROLØN A/S (board member – expected to end during the first quarter of 2021), MREB INVEST ApS (chief executive officer and chairperson), TalentHub.io A/S (chairperson) and ACTIMO ApS (board member).* |
| *Previous directorships and senior management positions last five years* | *YOUNG GUN HOLDING ApS (board member), VISMA SOFTWARE A/S (chief executive officer and board member), Visma LogBuy ApS (board member) and DINERO REGNSKAB ApS (board member).* |

## 12.4 Remuneration and benefits

### *12.4.1 Remuneration of the Board of Directors*

Prior to the extraordinary General Meeting held in the Company on 23 February 2021, the Board of Directors comprised of Michiel David Kotting and Carl Jöran Fredrik Cassel, in addition to the current Board Members Harald Arnet (chairperson), Sindre Svendsen Østgård and Christer Stefan Blom. None of the members of the Board of Directors received remuneration in their capacity as board members for the financial years ended 31 December 2019 and 2018. At the ordinary General Meeting held in the Company on 8 June 2020, it was resolved that the chairperson of the Board of Directors shall receive NOK 500,000 and that the other members of the Board of Directors shall receive NOK 250,000 as remuneration in their capacity as members of the Board of Directors for the period until the ordinary General Meeting in 2021. None of the members of the Board of Directors received payment for remuneration during the financial year ended 31 December 2020. At the extraordinary General Meeting held in the Company on 23 February 2021, it was resolved that Lori Wright and Joanne Bradford shall each receive USD 50,000 as annual remuneration in their capacity as members of the Board of Directors.

It is expected that the members of the Board of Directors will receive remuneration in their capacity as board members going forward.

### *12.4.2 Remuneration of the Executive Management*

The table below sets out the remuneration paid by the Company to the CEO for the financial year ended 31 December 2020:

| *In USD thousand* | **Year ended 31 December** |
|---|---|
| | **2020** |
| Short-term employee benefits | 187 |
| Post-employment benefits | 3 |
| Termination benefits | – |
| Other benefits | 1 |
| Share-based payments | 0 |
| **Total** | **190** |

### *12.4.3 Bonus schemes*

As at the date of this Prospectus, the Group does not have any general bonus schemes for its employees. However, the employees working in the Group's sales team have entered into sales commission and bonus agreements. Commission and bonus are calculated on the basis of achieved sales, provided that the sales team has reached a predetermined budget and the respective employee achieves predetermined sales goals, and is paid on a monthly and quarterly basis, respectively. For the financial year ended 31 December 2020, the Company's assisted sales team comprised in total 10 employees and DragonBox had for the same period in place a bonus scheme for one of its sales teams that comprised in total five employees.

*12.4.4 Share incentive schemes*

On 21 May 2020, the Board of Directors resolved to implement a long term share incentive scheme for employees of the Company and its subsidiaries (the "**2020 Share Option Rules**"). The 2020 Share Option Rules was implemented following expiry of the share incentive scheme implemented by the Board of Directors on 10 August 2017 (the "**2017 Share Option Rules**").

Rights to acquire shares in the Company (the "**Options**") are granted by the Company on an individual basis to selected recipients (each an "**Option Holder**"). Each Option gives the Option Holder the right, but not the obligation, to subscribe for or purchase (at the Company's choice) one Share in the Company at a strike price defined in the individual share option agreement. As at the date of this Prospectus, the Company has issued in total 20,081,975 Options under the 2017 Share Option Rules and 2020 Share Option Rules, respectively, equal to 4.5% of the outstanding Shares, of which approximately 46% of the Options have vested. No new Options have been issued under the 2017 Share Option Rules following implementation of the 2020 Share Option Rules.

The group of Option Holders, both under the 2017 Share Option Rules and the 2020 Share Option Rules, includes employees, consultants and members of the Board of Directors.

Options issued under the 2017 Share Option Rules vest as follows: (i) 25% of the Options are vested 12 months after grant date; and (ii) 1/36 of the remaining Options shall vest each month thereafter. Full vesting occurs after four years and last possible exercise is five years after grant date. Options issued under the 2020 Share Option Rules vests according to one of the three following vesting schedules, or a combination of all three; (A): (i) 50% of the Options are vested 12 months after grant date; and (ii) the remaining 50% of the Options are vested 24 months after grant date, and the last possible exercise is four years after grant date; (B): (i) 1/3 of the Options are vested 12 months after grant date; (ii) the next 1/3 of the Options are vested 24 months after grant date; and (iii) the remaining 1/3 of the Options are vested 36 months after grant date, and the last possible exercise is four years after grant date; or (C): (i) 1/3 of the Options are vested 24 months after grant date; (ii) the next 1/3 of the Options are vested 36 months after grant date; and (iii) the remaining 1/3 of the Options are vested 48 months after grant date, and the last possible exercise is five years after grant date.

The table below sets out key information about the Options the Company has in issue as at the date of this Prospectus:

| **Number of Options** | **Exercise price (NOK)** | **Expiry month** |
|---|---|---|
| 10,471,725 | 1.67 | September 2022 |
| 233,000 | 3.33 | September 2023 |
| 1,029,250 | 6.67 | September 2023 – January 2025 |
| 522,500 | 8.33 | September 2024 |
| 82,500 | 10.00 | October 2024 – February 2025 |
| 15,000 | 13.33 | December 2024 |
| 1,022,250 | 16.00 | April 2024 |
| 150,000 | 16.67 | December 2024 |
| 1,284,750 | 20.00 | May 2024 |
| 300,000 | 28.00 | June 2024 |
| 82,499 | 31.00 | July 2024 |
| 50,416 | 36.00 | September 2024 |
| 1,509,744 | 37.00 | October 2024 |
| 208,998 | 50.00 | November 2024 |
| 2,414,083 | 56.00 | December 2024 |
| 705,260 | *[1] | April 2025 - December 2025 |

1 The exercise price is determined on basis of the trading price of the Shares prior to the Company's annual general meeting in 2021.

On 23 February 2021, the General Meeting resolved to approve a grant of in total 11,556 restricted share units ("**RSUs**") to each of the Board Members Lori Wright and Joanne Bradford, which at the time of the General Meeting amounted to USD 150 thousand. Each RSU gives the right and obligation to subscribe for one new Share at a subscription price equal to NOK 0.10, subject to satisfaction of the vesting conditions attached to the RSUs. The RSUs are non-transferable, except for transfers to wholly owned companies.

The RSUs will vest on the first anniversary of the grant date, unless early vesting is approved by the Company's nomination committee. Vesting of the RSUs will be subject to (i) the Board Member being a Board Member at the vesting date and (ii) the Board Member not having notified the Company prior to the vesting date of the Board Member's intention to resign as a member of the Board of Directors. If any of these events occur prior to vesting, then the RSUs shall lapse without compensation. The exercise period for the RSUs commence at vesting and expire on the fourth anniversary of the grant date. It is a condition for exercise of the RSUs that (i) the Board Member being a Board Member at the exercise date and (ii) the Board Member not having notified the Company prior to the exercise date of the Board Member's intention to resign as member of the Board of Directors.

### 12.5 Benefits upon termination

Eilert Giertsen Hanoa (CEO), is pursuant to his employment agreement with the Company entitled to severance pay in connection with termination of his employment, equal to six months' salary. Other than this, no employee, including any other member of the Executive Management, has entered into employment agreements which provide for any special benefits upon termination. None of the Board Members has a service contract and none will be entitled to any benefits upon termination of office.

### 12.6 Loans and guarantees

The Company has not granted any loans, guarantees or made any other similar commitments to any of its Board Members, members of the Executive Management or any employees.

### 12.7 Employees

As at 31 December 2020, the Group had 182 full-time employees, represented by more than 30 different nationalities.

The table below shows the development in the Group's number of full-time employees by main category of activity for the financial years ended 31 December 2020, 2019 and 2018.

| Position | As of 31 December 2020 | As of 31 December 2019 | As of 31 December 2018 |
|---|---|---|---|
| Sales and support | 55 | 21 | 6 |
| Product and engineering | 107 | 75 | 39 |
| General and administration | 20 | 14 | 6 |
| **Total** | **182** | **110** | **51** |

The table below shows the development in the Group's number of full-time employees by geographic location for the financial years ended 31 December 2020, 2019 and 2018.

| Position | As of 31 December 2020 | As of 31 December 2019 | As of 31 December 2018 |
|---|---|---|---|
| Norway | 108 | 82 | 43 |
| U.S. | 12 | 6 | 5 |
| U.K. | 2 | 2 | 3 |
| France | 12 | 13 | – |
| Finland | 5 | 6 | – |
| Estonia | 4 | – | – |
| Denmark | 34 | – | – |
| Spain | 5 | – | – |
| **Total** | **182** | **110** | **51** |

In addition to the Group's full-time employees, the various Group companies uses consultants to assist its sales and support, and product and engineering functions. The Group's use of consultants allows for flexibility in the workforce and the consultants provide expertise and diversity from various industries that is beneficial for the Group in short term situations, such as product development of specific new features for the Group's offerings, and in long term situations where additional capacity is needed to assist the Group's functions to accommodate an increase in demand for the Group's offerings. The consultants are either engaged through professional agencies or on an independent contractor basis, and their work is conducted either in-house together with the Group's employees or remotely. As at 31 December 2020, the Group engaged consultants corresponding to 50 full-time equivalents. However, the number of consultants engaged by the various Group companies varies over time depending on the Group's need for assistance.

### 12.8 Pension and retirement benefits

For the financial year ended 31 December 2020, the Group recognized an expense of in total USD 304 thousand in pension costs (compared to USD 118 thousand for the financial year ended 31 December 2019). The Group's pension costs are recognized as an employee benefit expense for the year to which the contribution applies. All of the Group companies' pension plans are defined contribution plans, but the pension rights of the Group's employees vary among the various Group companies.

For more information about the Group's pension and retirement benefits, see note 6 to the Annual Financial Statements for the financial year ended 31 December 2020.

### 12.9 Audit committee

The Board of Directors has, subject to and with effect from Listing, established an audit committee. The audit committee shall be composed of two or three Board Members who are appointed for a two-year term. The appointed members of the audit committee are Harald Arnet (chair) and Stefan Blom. The composition of the Company's audit committee is fully compliant with the requirements for qualifications and competence in accounting and auditing set out in the Norwegian Public Limited Companies Act. Furthermore, the composition is also compliant with the Corporate Governance Code.

The primary purpose of the audit committee is to act as a preparatory and advisory committee for the Board of Directors in monitoring the Group's internal control of the risk management and financial reporting. This includes but is not limited to:

- all critical accounting policies and practices;
- quality, integrity and control of the Group's financial statements and reports;
- compliance with legal and regulatory requirements;
- qualifications and independence of the external auditors; and
- performance of the internal audit function and external auditors.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

### 12.10 Remuneration committee

As at the date of this Prospectus, the Board of Directors has not established a remuneration committee.

The Board of Directors has considered, but not currently found the need to establish a remuneration committee. The Board of Directors intends to establish a remuneration committee in connection with the Company's annual general meeting in 2021.

### 12.11 Nomination committee

The Articles of Association provide for a nomination committee composed of two or three members. The nomination committee will be subject to, and with effect from, Listing consist of Jan Haudemann-Andersen (chair) and Fredrik Cassel. The members of the nomination committee are appointed until the Company's annual general meeting in 2022.

The nomination committee is responsible for (i) nominating candidates for the election of shareholder-elected board members and chairperson to the Board of Directors, (ii) for nominating members to the nomination committee and (iii) making recommendations for remuneration of these members.

### 12.12 Corporate governance

The Company has, with effect from Listing, adopted and implemented a corporate governance regime which complies with the Norwegian Code of Practice for Corporate Governance, last updated 17 October 2018 (the "**Corporate Governance Code**").

Neither the Board of Directors nor the General Meeting have adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime.

### 12.13 Conflict of interests etc.

No Board Member or member of the Executive Management has, or had, as applicable, during the last five years preceding the date of the Prospectus:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company, other than Åsmund Furuseth who previously served as board member in Symphonical AS, a company that by decision from the board of directors itself filed for bankruptcy in March 2018.

To the Company's knowledge, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Executive Management, the Board of Directors, including any family relationships between such persons.

# 13 RELATED PARTY TRANSACTIONS

## 13.1 Introduction

This Section provides information about certain transactions which the Company is a party to with its related parties for the periods covered by the Annual Financial Statements and up until the date of this Prospectus. For the purpose of the following disclosures of related party transactions, "related party transactions" are those transactions that are set out as such in accordance with the Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

All transactions, agreements and business relations between the Company and its related parties are incurred on general market terms.

For information regarding related party transactions, please see Note 21 of the Annual Financial Statements, included in Appendix B.

## 13.2 Transactions with related parties within the Group

The Company has entered into service agreements with its subsidiaries, Kahoot! UK and Kahoot! U.S., respectively. The consideration payable under the respective service agreements are equal to cost for the relevant services with a mark-up equal to 5% in addition to compensation for incurred expenses.

The activities of DragonBox and Poio have been financed by intra group loans from the Company. In connection with the acquisition of Drops, the Company entered into a loan agreement with Kahoot! International in order to provide financing for the acquisition.

The transactions described above are eliminated and are thus not presented in the Annual Financial Statements.

## 13.3 Transactions with related parties outside the Group

The Company has entered into a consultancy agreement with Glitrafjord AS, which is a company wholly owned by the CEO. The consultancy agreement covers the procurement of services within sales, marketing and various other services. The monthly consideration payable by the Company under the consultancy agreement is NOK 220,000 excl. VAT.

The Company has also entered into a service agreement with Hermia AS, which is a company wholly owned by Harald Arnet. The service agreement covers the procurement of services within, inter alia, capital market related matters and the Company's transaction activities. The monthly consideration payable by the Company under the service agreement is NOK 50,000 (excl. VAT).

## 13.4 Transactions carried out with related parties for the financial years ended 31 December 2020, 2019 and 2018

The following table summarises data of the Company's transactions carried out with related parties, and is extracted from the Annual Financial Statements for the financial years ended 31 December 2020, 2019 and 2018:

| *In USD thousand* | **Years ended 31 December** | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Services purchased from Glitrafjord AS | 285 | 114 | 69 |
| Services purchased from Hermia AS | 27 | – | – |
| **Total** | **312** | **114** | **69** |

## 13.5 Transactions carried out with related parties in the period following 31 December 2020

The Group has not entered into any new related party agreements in the period following 31 December 2020.

# 14 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

*The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Articles of Association and applicable Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Articles of Association, included in Appendix A to this Prospectus, and applicable law.*

## 14.1 Company corporate information

The Company's legal name is Kahoot! ASA and its commercial name is Kahoot!. The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated on 11 December 2011 and has its registered office at Fridtjof Nansens plass 7, 0160 Oslo, Norway. The Company's registration number in the Norwegian Register of Business Enterprises is 997 770 234 and its LEI code is 2549004957SZTRN8CW77.

The Shares have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS under ISIN NO0010823131. The Company's register of shareholders in the VPS is administrated by DNB Bank ASA (Verdipapirsevice), with registered business address at Dronning Eufemias gate 30, 0191 Oslo, Norway (the VPS Registrar).

The Group's website can be found at www.kahoot.com and contain the relevant contact information for the Company. The information on the website is not incorporated by reference to this Prospectus, nor does it in any other manner constitute a part of this Prospectus. The Company does not have a main telephone number.

## 14.2 Legal structure

The Company is the ultimate parent company of the Group.

The Company is the parent company of (i) Kahoot! Edu. Limited, a private limited liability company incorporated under the laws of England ("**Kahoot! UK**"), (ii) Kahoot! Edu. Inc., a Texas corporation and a private limited liability company incorporated under the laws of the United States of America ("**Kahoot! U.S.**"), (iii) Poio AS (Poio), a private limited liability company incorporated under the laws of Norway, (iv) Kahoot DragonBox AS (DragonBox), a private limited liability company incorporated under the laws of Norway, (v) Kahoot! International AS, a private limited liability company incorporated under the laws of Norway ("**Kahoot! International**"), (vi) Actimo ApS (Actimo), a private limited liability company incorporated under the laws of Denmark and (vii) Digital Teaching Tools Finland Ltd. (Whiteboard), a private limited liability company incorporated under the laws of Finland.

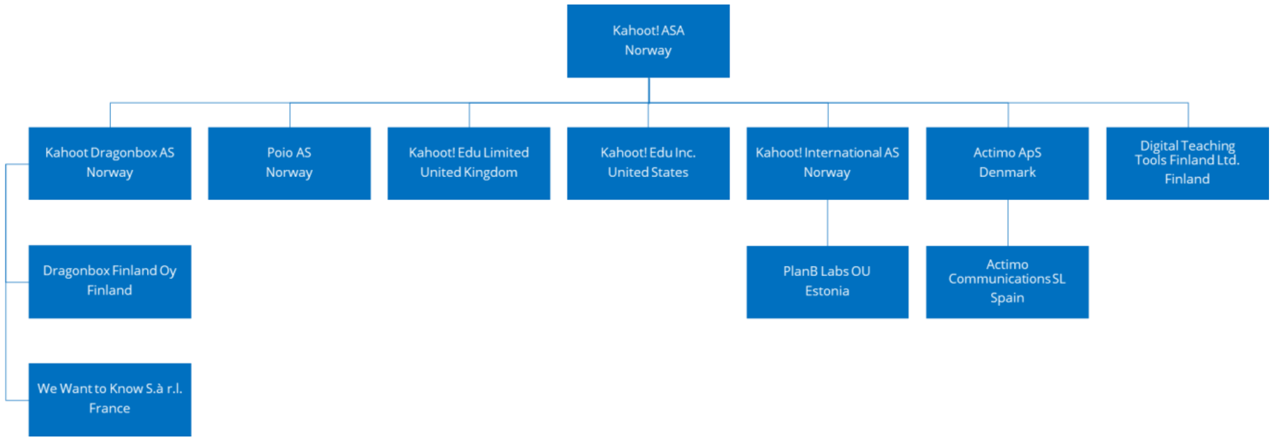
DragonBox is the parent company of DragonBox Finland Oy, a private limited liability company incorporated under the laws of Finland, and the parent company of We Want to know, a private limited liability company incorporated under the laws of France. Kahoot! International is the parent company of PlanB Labs OÜ (Drops), a private limited liability company incorporated under the laws of Estonia. Actimo is the parent company of Actimo Communications SL, a private limited liability company incorporated under the laws of Spain.

The Company's principal activities are the development of Kahoot!'s digital learning and engagement platform, i.e. the Kahoot! platform, and the development of engaging tools for all kinds of learning and audience interaction that are made available through the Kahoot! platform, and its commercial operations is to sell access to the Kahoot! platform through paid subscriptions.

The table below sets out brief information about the Company's direct and indirect subsidiaries at the date of this Prospectus:

| Company name | Registered office | Activity | Shareholder | Ownership |
|---|---|---|---|---|
| Kahoot! Edu. Limited | London, United Kingdom | Operating company | Kahoot! ASA | 100% |
| Kahoot! Edu. Inc. | Austin, Texas, United States | Operating company | Kahoot! ASA | 100% |
| Poio AS | Oslo, Norway | Operating company | Kahoot! ASA | 100% |
| Kahoot DragonBox AS | Oslo, Norway | Operating company | Kahoot! ASA | 100% |
| DragonBox Finland Oy | Helsinki, Finland | Operating company | Kahoot DragonBox AS | 100% |
| We Want to Know S.à r.l. | Paris, France | Operating company | Kahoot DragonBox AS | 100% |
| Kahoot! International AS | Oslo, Norway | Holding company | Kahoot! ASA | 100% |
| PlanB Labs OÜ | Tallinn, Harjumaa, Estonia | Operating company | Kahoot! International AS | 100% |
| Actimo ApS | Copenhagen, Denmark | Operating company | Kahoot! ASA | 100% |
| Actimo Communications SL | Madrid, Spain | Operating company | Actimo ApS | 100% |
| Digital Teaching Tools Finland Ltd. | Pinjainen, Finland | Operating company | Kahoot! ASA | 100% |

The structure chart below sets out the Group's legal structure as the date of this Prospectus:




As at the date of this Prospectus, the Company is of the opinion that its holdings in all of its direct and indirect subsidiaries, as listed in the table above, are likely to have a significant effect on the assessment of the Company's own assets and liabilities, financial condition and profit or loss.

### 14.3 Share capital and share capital history

As at the date of this Prospectus, the Company's share capital is NOK 44,639,847.70 divided into 446,398,477 Shares, each with a nominal value of NOK 0.10. All the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid.

The Company has one class of shares. The Company holds in total 980,787 Shares on behalf of the previous shareholders of Drops until such shareholders have established ways of holding the Shares directly in their own VPS account or through a depository bank. None of the Company's direct or indirect subsidiaries own Shares in the Company.

The table below shows the development in the Company's share capital for the period covered by the historical financial information and up to the date of the Prospectus:

| Date of registration | Type of change | Change in share capital (NOK) | New share capital (NOK) | Nominal value (NOK) | Total number of issued Shares | Subscription price per share |
|---|---|---|---|---|---|---|
| 26 March 2018 | Share capital increase | 1,400 | 427,911 | 0.10 | 4,279,110 | 35/60[1] |
| 9 April 2018 | Share capital increase | 100,000 | 527,911 | 0.10 | 5,279,110 | 35/100/150[2] |
| 16 July 2018 | Share capital increase and share split | 10,030,309 | 10,558,220 | 0.10 | 105,582,200 | N/A[3] |
| 1 November 2018 | Share capital increase | 550,000 | 11,108,220 | 0.10 | 111,082,200 | 23 |
| 7 January 2019 | Share capital increase | 450,000 | 11,558,220 | 0.10 | 115,582,200 | 5 |
| 7 March 2019 | Share capital increase | 33,500 | 11,591,720 | 0.10 | 115,917,200 | 1.75/5[4] |
| 23 May 2019 | Share capital increase | 42,000 | 11,633,720 | 0.10 | 116,337,200 | 5[5] |

| Date of registration | Type of change | Change in share capital (NOK) | New share capital (NOK) | Nominal value (NOK) | Total number of issued Shares | Subscription price per share |
|---|---|---|---|---|---|---|
| 3 September 2019 | Share capital increase | 138,366 | 11,772,086 | 0.10 | 117,720,860 | 25 |
| 12 September 2019 | Share capital increase | 386,863.60 | 12,158,949.60 | 0.10 | 121,589,496 | 25 |
| 13 November 2019 | Share capital increase | 777,000 | 12,935,949.60 | 0.10 | 129,359,496 | 38/5/3/1.75[6] |
| 8 June 2020 | Share capital increase and share split | 25,871,899.20 | 38,807,848.80 | 0.10 | 388,078,488 | N/A[7] |
| 16 June 2020 | Share capital increase | 1,141,177.50 | 39,949,026.30 | 0.10 | 399,490,263 | 35.5/6.667/3.33 33, 1.6667/1[8] |
| 6 October 2020 | Share capital increase | 111,496.30 | 40,060,522.60 | 0.10 | 400,606,226 | 46.82 |
| 13 October 2020 | Share capital increase | 4,462,757.20 | 44,523,279.80 | 0.10 | 445,232,798 | 46/8.3333/6.666 7/1.6667/0.58 |
| 4 December 2020 | Share capital increase | 85,916.90 | 44,609,196.70 | 0.10 | 446,091,967 | 62.63 |
| 24 February 2021 | Share capital increase | 12,161.80 | 44,621,358.50 | 0.10 | 446,213,585 | 116.20 |
| 9 March 2021 | Share capital increase | 18,489.20 | 44,639,847.70 | 0.10 | 446,398,477 | 110.39 |

1 Exercise of options for employees (12,500 Shares were subscribed for at a subscription price of NOK 35, whereas 1,500 Shares were subscribed for at a subscription price of NOK 60).

2 Private placement directed towards selected investors (865,000 Shares were subscribed for at a subscription price of NOK 150) and exercise of options for employees (60,000 Shares were subscribed for at a subscription price of NOK 35, whereas 75,000 Shares were subscribed for at a subscription price of NOK 100).

3 Transfer from other equity to share capital. Share split 1:20 creating 100,303,090 new Shares.

4 Exercise of options for employees (100,000 Shares were subscribed for at a subscription price of NOK 1.75, whereas 235,000 Shares were subscribed for at a subscription price of NOK 5).

5 Exercise of options for employees (420,000 Shares were subscribed for at a subscription price of NOK 5).

6 Private placement directed towards selected investors (6,000,000 Shares were subscribed for at a subscription price of NOK 38) and exercise of options for employees (whereas 1,730,000 Shares were subscribed for at a subscription price of NOK 5, whereas 20,000 Shares were subscribed for at a subscription price of NOK 3 and 20,000 Shares were subscribed for at a subscription price of NOK 1.75).

7 Transfer from other equity to share capital. Share split 1:3 creating 258,718,992 new Shares.

8 Private placement directed towards selected investors (7,500,000 Shares were subscribed for at a subscription price of NOK 35.5) and exercise of options for employees (46,875 Shares were subscribed for at a subscription price of NOK 6.6667, 15,000 Shares were subscribed for at a subscription price of NOK 3.3333, 3,819,900 Shares were subscribed for at a subscription price of NOK 1.6667 and 30,000 Shares were subscribed for at a subscription price of NOK 1).

Other than as set out above, there have been no changes to the Company's share capital or the number of Shares of the Company from the start of the period covered by the historical financial information up to the date of this Prospectus.

Other than the share options and the RSUs described in Section 12.4.4 "Share incentive schemes", there are no share options or other right to subscribe for or acquire Shares in the Company.

## 14.4 Admission to trading

The Company applied for the Shares to be admitted for Listing on the Oslo Stock Exchange on 11 March 2021, and the board of directors of the Oslo Stock Exchange approved the Company's application for Listing on 16 March 2021. Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 18 March 2021. The Company has not applied for admission to trading of the Shares on any other stock exchange, regulated market or a multilateral trading facility (MTF). The Shares are as of the date hereof admitted for listing and trading on Euronext Growth Oslo under the ticker code "KAHOT".

### 14.5 Major shareholders

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 15.8 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act. As at 16 March 2021, the Company had 20,736 shareholders. An overview of shareholders that held 5% or more of the Shares as at 16 March 2021 is set out below:

| Shareholder | No. of Shares | Ownership (%) |
|---|---|---|
| SoftBank Group Corp.[1] | 71,000,000 | 15.91% |
| Datum Group[2] | 52,130,865 | 11.68% |
| Glitrafjord AS | 40,208,910 | 9.01% |
| **Total** | **163,339,775** | **36.6%** |

1 The Shares held by SoftBank Group Corp. are held by a wholly owned subsidiary of SoftBank Group Corp.

2 The entities in the Datum Group that hold Shares are Datum Opportunity AS, Datum AS, Datum Vekst AS and Datum Eiendom AS.

There are no differences in voting rights between the shareholders.

To the extent known to the Company, there are no persons or entities that, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

### 14.6 Authorisations to acquire treasury shares

As of the date of this Prospectus, the Board of Directors does not hold any authorisations to acquire Shares in the Company.

### 14.7 Authorisation to increase the share capital and to issue Shares

At the Company's annual general meeting held on 8 June 2020, the Board of Directors was granted an authorisation to increase the share capital of the Company with up to NOK 3,000,000 in order to enable the Company to settle the options to be issued under the Company's share incentive scheme, cf. Section 12.4.4 "Share incentive schemes". The authorisation may be used in connection with share capital increases with share contributions in other assets than cash. The authorisation may not be used in connection with share capital increases in connection with mergers. The authorisation is valid until the Company's annual general meeting in 2022, but no longer than to and including 8 June 2022. The Board of Directors has made use of the authorisation in connection with the following share option exercises:

- On 10 June 2020, the Board of Directors made use of the authorisation to increase the share capital by NOK 391,177.50. On 13 October 2020, the Board of Directors made use of the authorisation to increase the share capital by NOK 162,757.20. Following these share capital increases, the Board of Directors has NOK 2,446,065.30 remaining from the authorisation granted on 8 June 2020.

At the Company's extraordinary general meeting held on 14 January 2021, the Board of Directors was granted an authorisation to increase the Company's share capital with up to NOK 6,700,000 in order for the Board of Directors to be able to resolve the issuance of new shares in connection with merger and acquisitions and to raise new equity. The authorisation may be used in connection with share capital increases with share contributions in other assets than cash and in connection with mergers. The authorisation is valid until the Company's annual general meeting in 2021, but no longer than to and including 30 June 2021. The Board of Directors has made use of the authorisation in connection with the following share capital increase:

- On 12 February 2021, the Board of Directors made use of the authorisation to increase the share capital by NOK 12,161.80 in connection with the Company's settlement of the additional consideration upon satisfaction of the performance-based threshold related to the earnout issued in connection with the Company's acquisition of Drops. On 23 February 2021, the Board of Directors made use of the authorisation to increase the share capital by NOK 18,489.20 in connection with the Company's acquisition of Whiteboard. Following these share capital increases, the Board of Directors has NOK 6,669,349 remaining from the authorisation granted 14 January 2021.

The preferential rights of existing shareholders to subscribe for new Shares pursuant to Section 10-4 of the Norwegian Public Limited Companies Act may be deviated from pursuant to the rules set out in Section 10-5 of the Norwegian Public Limited Companies Act with respect to the existing authorisations mentioned above.

### 14.8 Other financial instruments

Except for the share options described in Section 12.4.4 "Share incentive schemes", neither the Company nor any of its subsidiaries have issued any options, warrants, convertible loans, subordinated debt or other instruments or transferrable securities that would entitle a holder of any such instrument to subscribe for shares in the Company or its subsidiaries.

### 14.9 Shareholder rights

The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The rights attaching to the Shares at Listing are described in Section 14.11 "The Articles of Association" and Section 14.12 "Certain aspects of Norwegian corporate law".

### 14.10 Lock-up and standstill undertakings by existing shareholders

In connection with the Company's acquisitions of Poio, DragonBox, Actimo, Drops and Whiteboard, a part of the consideration paid by the Company was settled by issuance of Shares in the Company. In this respect, the previous owners of these companies, which are existing shareholders in the Company as at the date of this Prospectus, have undertaken lock-up commitments in favour of the Company that prevents these shareholders from carrying out a sale of the Shares held by the respective shareholders. In addition, and as further described in Section 10.7.2.1 "Earnouts relating to the acquisitions of Actimo and Drops", a part of the additional consideration payable to the previous owners of Actimo, Drops and Whiteboard will be settled by issuance of new Shares assuming the relevant criteria and thresholds are achieved.

The table below sets out an overview of the Shares that are held by the previous owners of Poio, DragonBox, Actimo, Drops and Whiteboard and which are subject to the lock-up undertaking described above:

| **Shareholders** | **No. Shares** | **Expiry of lock-up** | **No. additional Shares** | **Expiry of lock-up** |
|---|---|---|---|---|
| Previous owners of Poio[1] | 532,560 | 21 August 2021 | | |
| Previous owners of DragonBox[2] | 1,382,578 | 29 August 2021 | | |
| Previous owners of Actimo[3] | 1,114,963 | 5 May 2021 and 5 October 2021 | 310,884[6] | 5 October 2022 |
| Previous owners of Drops[4] | 859,169 | 4 December 2022 | 1,186,444[6] | 30 January 2023 |
| Previous owners of Whiteboard[5] | 184,892 | 23 February 2023 | 184,892[6] | 12 months[7] |
| **Total** | **4,074,162** | | **1,682,220** | |

1 The group of previous owners of Poio comprises in total two persons.

2 The group of previous owners of DragonBox comprises in total eight persons.

3 The group of previous owners of Actimo comprises in total 13 persons.

4 The group of previous owners of Drops comprises in total 25 persons.

5 The group of previous owners of Whiteboard comprises in total two persons.

6 The exact number of additional consideration shares will be calculated on the basis of the Shares volume weighted average trading price and the USD/NOK exchange rate, and is therefore subject to change.

7 The lock-up period pertaining to Shares being issued as part of the additional consideration is 12 months from the date of resolution to issue such additional consideration Shares.

In addition to the above, the table below sets out an overview of the number of Shares held by each of Creandum III LP, Glitrafjord AS and indirectly by SoftBank Group Corp. that are subject to a lock-up undertaking in favour of ABG Sundal Collier ASA and Goldman Sachs International:

| **Shareholders** | **No. Shares** | **Expiry of lock-up** |
|---|---|---|
| Creandum III LP | 20,000,000 | 31 March 2021 |
| Glitrafjord AS | 1,000,000 | 31 March 2021 |
| SoftBank Group Corp.[1] | 11,000,000 | 31 March 2021 |
| **Total** | **32,000,000** | |

1 The Shares are held by a wholly owned subsidiary of SoftBank Group Corp.

In connection with the private placement carried out by the Company on 13 October 2020, SoftBank Group Corp. agreed to undertake a standstill commitment in favour of the Company that it will not hold more than 10% of the Shares in the Company for a period of six months, which expire on 13 April 2021. The Company granted SoftBank Group Corp. a waiver from the standstill undertaking on two occasions in December 2020.

## 14.11 The Articles of Association

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of certain provisions of the Articles of Association.

### *14.11.1 Objective of the Company*

Pursuant to section 3 of the Articles of Association, the objective of the Company is to offer technology and other concepts applicable to an educational environment, as well as any other activity naturally associated with these objectives.

### *14.11.2 Registered office*

The Company's registered office is in the municipality of Oslo, Norway.

### *14.11.3 Share capital and par value*

Pursuant to section 4 of the Articles of Association, the Company's share capital is NOK 44,639,847.70, divided into 446,398,477 shares, each with a nominal value of NOK 0.10. The Shares shall be registered with a central securities depository (the Norwegian Central Securities Depository (VPS)).

### *14.11.4 Board of Directors*

The Board of Directors shall consist of between four and eight members, according to the decision of the general meeting.

### *14.11.5 Restrictions on transfer of Shares*

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal upon transfer of the Shares, nor does any such restrictions follow by applicable Norwegian law. Share transfers are not subject to approval by the Board of Directors.

### *14.11.6 General meetings*

Documents concerning matters to be considered by the Company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be considered by the general meeting are sent to him/her.

The annual general meeting shall consider the following matters:

- Approval of the annual accounts and the annual report including distribution of dividends; and
- Other matters, which pursuant to law or the Articles of Association shall be considered by the general meeting.

The Board of Directors may resolve that shareholders who wants to participate at the general meeting have to notify to the Company about this by a deadline which shall not be less than three days prior to the general meeting.

Shareholders may cast their votes in writing, including through electronic communication, in a period prior to the general meeting. The Board of Directors may establish guidelines for such advance voting. It must be stated in the notice of the general meeting which guidelines have been set out.

Documents concerning matters to be considered by the Company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be considered by the general meeting are sent to him/her.

#### *14.11.7 Nomination committee*

The Company shall have a nomination committee. See Section 12.11 "Nomination committee".

### 14.12 Certain aspects of Norwegian corporate law

***General meetings***

Through the general meeting of shareholders, shareholders exercise supreme authority in a Norwegian public limited company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of annual general meetings, which sets forth the date and time of, the venue for and the agenda of the general meeting, is sent to all shareholders with a known address no later than 21 days before the date of the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline. The latter is currently not the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at its own discretion. Pursuant to the Norwegian Securities Trading Act, a proxy voting form shall be appended to the notice of the general meeting of shareholders in a Norwegian public limited liability company listed on a stock exchange or a regulated market unless such form has been made available to the shareholders on the company's website and the notice calling the meeting includes all information the shareholders need to access the proxy voting forms, including the relevant internet address.

Under Norwegian law a shareholder may only exercise rights that pertain to shareholders, including participation in general meetings of shareholders, when it has been registered as a shareholder in the register of shareholders maintained with the VPS. Unless the articles of association explicitly states that the right to attend and vote at a general meeting of shareholders may only be exercised by a shareholder if it has been entered into the register of shareholders five working days prior to the general meeting, all shareholders who are registered as such on the date of the general meeting have the right to attend and exercise its voting rights at that meeting. The Articles of Association stipulate that the Board of Directors may resolve that shareholders who want to participate at the general meeting have to notify to the Company about this by a deadline which shall not be less than three days prior to the general meeting.

Apart from the annual general meeting of shareholders, extraordinary general meetings of shareholders may be held if the board of directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to participate in the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of shareholders of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast, as well as at least two-thirds of the share capital represented at the general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting provided that the company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the Company's General Meeting.

***Voting rights – amendments to the articles of association***

Each of the Company's Shares carries one vote. In general, decisions that shareholders of a Norwegian public limited liability company are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe for shares in connection with any share issue in the company, to approve a merger or demerger of the company, to amend the articles of association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants by the company or to authorize the board of directors to purchase shares and hold them as treasury shares or to dissolve the company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the articles of association.

Only a shareholder registered as such in the VPS is entitled to vote for shares of a Norwegian public limited liability company listed on a stock exchange or regulated market. Beneficial owners of the shares who are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such shares as a nominee. A nominee may not meet or vote for shares registered on a nominee account ("**NOM-account**"). A shareholder holding shares through a NOM-account must, in order to be eligible to register, meet and vote for such shares at the general meeting, transfer the shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest five working days prior to the date of the relevant general meeting.

There are no quorum requirements that apply to the general meeting of a Norwegian public limited liability company.

***Additional issuances, preferential rights and dilution***

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the shareholders have a preferential right to subscribe for new shares issued by the Company. Preferential rights may be derogated from by resolution in a General Meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares. Existing shareholders who do not participate in an issuance of new Shares, including bonus shares, will be diluted.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorize the Board of Directors to issue new shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the shareholders, by transfer from the Company's distributable equity and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be carried out either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company has not filed a registration statement under the U.S. Securities Act in connection with the Listing or sought approvals under the laws of any other jurisdiction outside Norway in respect of any pre-emptive rights or the Shares, does not intend to do so and doing so in the future may be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new shares nor receive nor trade such subscription rights, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company may be reduced.

***Minority rights***

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of General Meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders which has been made at the General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary a dissolution of the Company.

Non-controlling shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary General Meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Company is notified within seven days before the deadline for convening the General Meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the relevant general meeting has not expired.

***Rights of redemption and repurchase of Shares***

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a General Meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the General Meeting cannot be granted for a period exceeding two years.

***Shareholder vote on certain reorganisations***

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the General Meeting. A merger plan or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all of the Company's shareholders, or if the Articles of Association so stipulate, made available to the shareholders on the Company's website, at least one month prior to the General Meeting to pass upon the matter.

***Liability of the members of the Board of Directors***

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the General Meeting to discharge a Board Member from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the relevant General Meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by the General Meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

***Civil proceedings against the Company in jurisdictions other than Norway***

Investors shall note that they may be unable to recover losses in civil proceedings in jurisdictions other than Norway. The Company is a public limited liability company organized under the laws of Norway. A majority of the Board Members and all of the members of the Executive Management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

***Indemnification of Board Members***

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

***Distribution of assets on liquidation***

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at a General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at that meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

### 14.13 Shareholders agreement

To the Company's knowledge, there are no shareholders' agreements related to the Shares.

# 15 SECURITIES TRADING IN NORWAY

*Set out below is a summary of certain aspects of securities trading in Norway and the possible implications of owning tradable securities on the Oslo Stock Exchange. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.*

## 15.1 Introduction

The Oslo Stock Exchange was established in 1819 and offers the only regulated market for securities trading in Norway. Oslo Børs ASA is 100% owned by Euronext Nordics Holding AS, a holding company established by Euronext N.V following its acquisition of Oslo Børs VPS Holding ASA in June 2019. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

## 15.2 Market value of the Shares

The market value of all shares on the Oslo Stock Exchange, including the Shares, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on the Oslo Stock Exchange will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect the trading price of the shares.

## 15.3 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in Euronext's electronic trading system Optiq®. This trading system is in use by all markets operated by Euronext.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET/CEST) and 16:20 hours (CET/CEST) each trading day, with pre-trade period between 07:15 hours (CET/CEST) and 09:00 hours (CET/CEST), a closing auction from 16:20 hours (CET/CEST) to 16:25 hours (CET/CEST) and a trading at last period from 16:25 hours (CET/CEST) to 16:30 hours (CET/CEST). Reporting of Off-Book On Exchange trades can be done from 07:15 hours (CET/CEST) to 18:00 hours (CET/CEST).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

SIX x-clear Ltd, a company in the SIX group, through its Norwegian branch, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on the Oslo Stock Exchange.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

### 15.4 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company. Inside information means precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market. A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange and the Norwegian FSA may levy fines on companies violating these requirements.

### 15.5 The VPS and transfer of Shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and Oslo Børs ASA are both wholly-owned by Euronext Nordics Holding AS.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

### 15.6 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to any general meeting. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. See Section 14.12 "Certain aspects of Norwegian corporate law" under the subheading "Voting rights – amendments to the articles of association" for more information on nominee accounts.

### 15.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

Foreign investors are to note that the rights of holders of listed shares of companies incorporated in Norway are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a company in respect of wrongful acts committed against such company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against such company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. See Section 14.12 "Certain aspects of Norwegian corporate law" for more information.

### 15.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

### 15.9 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange or other acquisitions or disposals of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and as implemented in Norway in accordance with Section 3-1 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value or price either depends on or has an effect on the price or value of such financial instruments or incitement to such dispositions.

### 15.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

### 15.11 Compulsory acquisition

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

### 15.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

# 16 TAXATION

*Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.*

*The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.*

*Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.*

*The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from shares in the Company.*

## 16.1 Norwegian taxation

### *16.1.1 Taxation of dividends*

**Norwegian Personal Shareholders**

Dividends distributed by the Company to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders currently at an effective tax rate of 31.68% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 31.68%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (*Nw.: statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**excess allowance**") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share. Any excess allowance on a share may also be added to the cost price of such share for the purposes of calculating the tax free allowance as described above.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (*Nw.: aksjesparekonto*). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 31.68%, cf. above. Norwegian Personal Shareholders will still be entitled to a calculated tax-free allowance. Please refer to Section 16.1.2 "Taxation of capital gains on realization of shares – *Norwegian personal shareholders*" for further information in respect of Norwegian share saving accounts.

**Norwegian Corporate Shareholders**

Dividends distributed by the Company to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at rate of currently 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of currently 22%). For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax (banks, holding companies, etc.), the effective rate of taxation for dividends is 0.75%.

**Non-Norwegian Personal Shareholders**

Dividends distributed by the Company to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share, please refer to section 16.1.1 "Taxation of dividends –*Norwegian Personal Shareholders*" above. However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation of the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

All Non-Norwegian Personal Shareholders must document their entitlement to a reduced withholding tax rate by obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state. The documentation must be provided to either the nominee or the account operator (VPS) and cannot be older than three years.

Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders resident in the EEA for tax purposes may hold their shares through a Norwegian share saving account. Dividends received on and gains derived upon the realization of shares held through a share saving account by a Non-Norwegian Personal Shareholder resident in the EEA will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the Non-Norwegian Personal Shareholder's paid in deposit, will be subject to withholding tax at a rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains realized upon realization of shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax.

The obligation to deduct and report withholding tax on shares held through a saving account, cf. above, lies with the account operator.

**Non-Norwegian Corporate Shareholders**

Dividends distributed by the Company to shareholders who are limited liability companies (and certain other entities) domiciled outside of Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders domiciled within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state, must be obtained. Such documentation must be provided to either the nominee or the account operator (VPS).

In order for a Non-Norwegian Corporate Shareholder resident in the EEA to be exempt from withholding tax, the company must provide all documentation mentioned above, as well as a declaration stating that the circumstances entitling the company to the exemption have not changed since the documentation was issued.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Corporate Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

### *16.1.2 Taxation of capital gains on realization of shares*

**Norwegian Personal Shareholders**

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realized by Norwegian Personal Shareholders is currently 31.68%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realized by Norwegian Personal Shareholders to 31.68%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 16.1.1 "Taxation of dividends – *Norwegian Personal Shareholders*" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Unused allowance may not be set off against gains from realization of other shares.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

Gains derived upon the realization of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68%. Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income, please refer to Section 16.1.1 "Taxation of dividends – *Norwegian Personal Shareholders*" above. The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

Norwegian Personal Shareholders holding shares through more than one share saving account may transfer their shares or securities between the share saving accounts without incurring Norwegian taxation.

**Norwegian Corporate Shareholders**

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

Special rules apply for Norwegian Corporate Shareholders that cease to be tax-resident in Norway.

**Non-Norwegian Personal Shareholders**

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway. Please refer to Section 16.1.1 "Taxation of dividends – *Non-Norwegian Personal Shareholders*" above for a description of the availability of a Norwegian share saving accounts.

**Non-Norwegian Corporate Shareholders**

Capital gains derived by the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the shareholding is effectively connected with business activities carried out in or manager from Norway.

### *16.1.3 Net wealth tax*

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to 55% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 55%).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Non-Norwegian (Personal and Corporate) Shareholders are generally not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

### *16.1.4 VAT and transfer taxes*

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

### *16.1.5 Inheritance tax*

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

# 17 TRANSFER RESTRICTIONS

## 17.1 General

The Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Prospective investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this Prospectus shall not constitute an offer for Shares and this Prospectus is for information only and should not be copied or redistributed. Accordingly, if an existing shareholder receives a copy of this Prospectus, the existing shareholder should not distribute or send the same, or transfer the Shares to any person or in or into any jurisdiction where to do so would or might contravene with local securities laws or regulations. If an existing shareholder forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the existing shareholder should direct the recipient's attention to the contents of this Section 17 "transfer restrictions".

Neither the Company nor any of its affiliates, representatives and advisers, is making any representation to any purchaser of Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

The information set out in this Section 17 "transfer restrictions" is intended as a general guide only. If you are in any doubt about any of the contents of these restrictions, or whether any of these restrictions apply to you, you should obtain independent professional advice without delay.

## 17.2 Transfer restrictions in the United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section 17.2 "Transfer restrictions in the United States".

## 17.3 Transfer restrictions in the United Kingdom

This Prospectus is for distribution only to persons who: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order, (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available only to and will be engaged in only with relevant persons. In connection with the Listing, none of the Company's advisers are acting for anyone other than the Company and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the Listing.

## 17.4 Transfer restrictions in Canada

The Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

## 17.5 General

Persons into whose hands this Prospects comes are required by the Company to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver shares or have in their possession or distribute such offering material, in all cases at their own expense. Neither the Company nor any of its affiliates, representatives and advisers accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of any of the Shares, of any such restrictions.

# 18 ADDITIONAL INFORMATION

## 18.1 Auditor

The Company's independent auditor is Deloitte AS, with company registration number 980 211 282, and registered business address Dronning Eufemias gate 14, 0191 Oslo, Norway. The partners of Deloitte are members of The Norwegian Institute of Public Accountants (*Nw.: Den Norske Revisorforening*). Deloitte AS has been the auditor of the Company since its incorporation in 2011.

The Annual Financial Statements have been audited by Deloitte, as set forth in their reports included therein. Deloitte has also provided an assurance report on the Unaudited Pro Forma Condensed Financial Information included in Appendix C. Deloitte has not audited, reviewed or produced any report on any other information provided in this Prospectus.

## 18.2 Advisors

ABG Sundal Collier ASA (Munkedamsveien 45 Vika Atrium, 0250 Oslo, Norway) and Arctic Securities AS (Haakon VIIs gate 6, 0161 Oslo, Norway) are acting as advisors in connection with the Listing.

Advokatfirmaet Thommessen AS (Haakon VIIs gate 10, 0161 Oslo, Norway) is acting as legal counsel to the Company in connecting with the Listing.

Advokatfirmaet Wiersholm AS (Dokkveien 1, 0250 Oslo, Norway) is acting as legal counsel to the Listing Advisors in connection with the Listing.

## 18.3 Documents available

Copies of the documents listed below will be available for inspection at the Company's offices at Fridtjof Nansens plass 7, 0160 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus.

- The Company's certificate of incorporation and Articles of Association; and
- All reports, letters, and other documents, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus.

With the exception of the certificate of incorporation, the documents listed above can also be obtained at the Company's website www.kahoot.com.

## 19 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

| | |
|---|---|
| 2017 Share Option Rules | The share incentive scheme implemented by the Board of Directors on 10 August 2017. |
| 2020 Share Option Rules | The share incentive scheme implemented by the Board of Directors on 21 May 2020. |
| Actimo | Actimo ApS. |
| active accounts | Unique user accounts hosting a game with one or more participants in the last 12 months. |
| Adjusted EBITDA | EBITDA adjusted for special operating items. Special operating items are material expenses and other material transactions of either a non-recurring nature or special in nature compared to ordinary operational income or expenses and include adjustments for share-based compensation expenses and related payroll taxes, acquisition-related expenses and listing cost preparations. |
| Adjusted EBITDA Margin | Adjusted EBITDA as a percentage of revenues. |
| Annual Recurring Revenue or ARR | MRR for the applicable month multiplied by twelve. |
| Annual Financial Statements | The audited consolidated financial statements for the Company as of and for the financial years ended 31 December 2020, 2019 and 2018. |
| Articles of Association | The Company's articles of association attached hereto as Appendix A. |
| APMs | Alternative performance measures. |
| Board of Directors | The Board of Directors of the Company. |
| Board Members | The members of Board of Directors. |
| Brexit | The withdrawal of the U.K. from the EU. |
| BYOD | Bring your own device. |
| CEO | Chief Executive Officer. |
| CFO | Chief Financial Officer. |
| CET | Central European Time. |
| Company | Kahoot! ASA. |
| Corporate Governance Code | The Norwegian Code of Practice for Corporate Governance last updated 17 October 2018. |
| Covid-19 | The coronavirus SARS-CoV-2. |
| Data Protection Laws | Laws and regulations regarding data protection and privacy in various jurisdictions. |
| Digital Services Act | The new legislative initiative to create a regulatory framework for digital services and platforms in the European Union. |
| DKK | Danish kroner, the lawful currency of Denmark. |
| DragonBox | Kahoot! DragonBox AS. |
| Drops | The Drops app, owned by the Company's subsidiary Plan B Labs OÜ. |
| e-learning | Educational learning. |
| EBITDA | Profit/(loss) for the year before net financial income (expenses), income tax expense, depreciation and amortization. |
| EBITDA Margin | EBITDA as a percentage of revenues. |
| EdTech | Educational technology. |
| EEA | The European Economic Area. |
| ESMA | The European Securities and Markets Authority. |
| EU | The European Union. |
| EUR | The lawful currency of the participating member states in the EU. |
| EU Prospectus Regulation | Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC. |
| Euronext Growth Oslo | Euronext Growth, a multilateral trading facility operated by Oslo Børs ASA. |
| Executive Management | The members of the executive management of the Group. |
| Forward-looking statements | Statements that reflect the Company's current views with respect to future events and financial and operational performance, typically identified by the use |

| | |
|---|---|
| | of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. |
| GAAP | Generally accepted accounting principles. |
| GDPR | The General Data Protection Regulation (EU) 2016/679. |
| GMI | Global Market Insight. |
| Group or Kahoot! | The Company taken together with its subsidiaries. |
| IFRS | International Financial Reporting Standards as adopted by the EU. |
| Invoiced Revenue | The amount invoiced to customers in the relevant period. |
| Kahoot! International | Kahoot! International AS. |
| Kahoot! platform | The Group's digital learning and engagement platform. |
| Kahoot! UK | Kahoot! Edu. Limited. |
| Kahoot! U.S. | Kahoot! Edu. Inc. |
| Kahoots | Kahoot! games available on the Kahoot! platform. |
| LEI | Legal Entity Identifier. |
| Listing | The admission to listing and trading of the Shares on the Oslo Stock Exchange. |
| Listing Advisors | ABG Sundal Collier ASA and Arctic Securities AS. |
| MiFID II | EU Directive 2014/65/EU on markets in financial instruments, as amended. |
| MiFID II Product Governance Requirements | MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures. |
| Monthly Recurring Revenue or MRR | The Company's consolidated recurring revenue for a month. |
| NGAAP | Norwegian Generally Accepted Accounting Principles. |
| NOK | Norwegian Kroner, the lawful currency of Norway. |
| NOM-account | Nominee account. |
| Non-Norwegian Corporate Shareholders | Shareholders who are limited liability companies and certain similar corporate entities not resident in Norway for tax purposes. |
| Non-Norwegian Personal Shareholders | Shareholders who are individuals not resident in Norway for tax purposes. |
| Norwegian Accounting Act | The Norwegian Accounting Act of 17 July 1998 No 56 (*Nw.: regnskapsloven*). |
| Norwegian Corporate Shareholders | Shareholders who are limited liability companies and certain similar corporate entities resident in Norway for tax purposes. |
| Norwegian FSA | The Financial Supervisory Authority of Norway *(Nw.: Finanstilsynet)*. |
| Norwegian Personal Shareholders | Shareholders who are individuals resident in Norway for tax purposes. |
| Norwegian Public Limited Companies Act | Norwegian Public Limited Companies Act of 13 June 1997 No 45 *(Nw.: allmennaksjeloven)*. |
| Norwegian Securities Trading Act | The Norwegian Securities Trading Act of 28 June 2007 No 75 *(Nw.: verdipapirhandelloven)*. |
| NPEs | Non-practicing entities, which are entities whose core activity involves asserting patents against other companies, without making a useful product of their own, with the sole purpose of litigation in court. |
| NRS no. 8 | The Norwegian Accounting Standard Board (*Nw.: Norsk Regnskapsstiftelse*) standard no. 8 (good practices for small businesses) (*Nw.: Norsk Regnskaps Standard nr 8, God regnskapsskikk for små foretak*). |
| Options | Rights to acquire shares in the Company. |
| Option Holder | Recipient of an Option. |
| Oslo Stock Exchange | Oslo Børs, a Norwegian stock exchange operated by Oslo Børs ASA. |
| Poio | Poio AS. |
| Prospectus | This Prospectus dated 17 March 2021. |
| RSUs | Restricted share units. |
| SaaS | Software as a service. |
| Schrems II | The case Data Protection Commissioner v. Facebook Ireland Limited, Maximillian Schrems (C-311/18). |
| SDG4 | UN's Sustainable Development goal no. 4. |
| Share(s) | Means the 446,398,477 shares of the Company, each with a nominal value of NOK 0.10. |

| | |
|---|---|
| Transactions | The Company's acquisitions of Actimo and Drops. |
| U.K. or United Kingdom | The United Kingdom. |
| Unaudited Pro Forma Condensed Financial Information | The unaudited pro forma condensed financial information included in this Prospectus. |
| U.S. or United States | The United States of America. |
| U.S. Exchange Act | The U.S. Securities Exchange Act of 1934 (as amended). |
| USD | The lawful currency of the United States. |
| VPS | The Norwegian Central Securities Depository *(Nw.: Verdipapirsentralen)*. |
| VPS Registrar | DNB Bank ASA. |
| Whiteboard | Digital Teaching Tools Finland Ltd. |
| Zapps | Third-party Zoom-integrated apps. |

# APPENDIX A

# ARTICLES OF ASSOCIATION

*Office translation*

**VEDTEKTER**

**FOR**

**KAHOOT! ASA**

Org. nr. 997 770 234

Sist endret den 23. februar 2021

**§ 1 – Foretaksnavn**

Selskapets navn er Kahoot! ASA. Selskapet er et allmennaksjeselskap.

**§ 2 – Forretningskontor**

Selskapets forretningskontor er i Oslo kommune.

**§ 3 – Formål**

Selskapet skal levere teknologi og konsepter til læring, samt annet virksomhet som naturlig står i tilknytning til dette.

**§ 4 – Aksjekapital**

Selskapets aksjekapital er NOK 44 639 847,70, fordelt på 446 398 477 aksjer, hver pålydende NOK 0,10.

Selskapets aksjer skal være registrert i et verdipapirregister (Verdipapirsentralen (VPS)).

**§ 5 – Styre**

Selskapets styre skal bestå av fra fire til åtte medlemmer, etter generalforsamlingens nærmere beslutning.

**§ 6 – Signatur**

Selskapets firma tegnes av hver av styrets leder og daglig leder.

**ARTICLES OF ASSOCIATION**

**FOR**

**KAHOOT! ASA**

Reg. no. 997 770 234

As of 23 February 2021

**§ 1 – Company name**

The company's name is Kahoot! ASA. The company is a public limited liability company.

**§ 2 – Registered offices**

The company's business office shall be in the municipality of Oslo.

**§ 3 – The object of the Company**

The company will offer technology and other concepts applicable to an educational environment, as well as any other activity naturally associated with these objectives.

**§ 4 – Share capital**

The company's share capital is NOK 44,639,847.70, divided into 446,398,477 shares, each with a nominal value of NOK 0.10.

The company's shares shall be registered in a securities register (the Norwegian Central Securities Depository (VPS)).

**§ 5 – Board of directors**

The company's board of directors shall consist of 4 to 8 members, according to the decision of the general meeting.

**§ 6 – Signatory rights**

Each of the chairman of the board of directors and the CEO have the right to sign on behalf of the company.

**§ 7 – Generalforsamling**

Dokumenter som gjelder saker som skal behandles på generalforsamlingen, herunder dokumenter som i henhold til lov skal inntas i eller vedlegges innkallingen, trenger ikke sendes til aksjonærene dersom dokumentene gjøres tilgjengelig på selskapets internettside. En aksjonær kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

Styret kan beslutte at aksjonærer som vil delta på generalforsamlingen, må melde dette til selskapet innen en bestemt frist som ikke kan utløpe tidligere enn tre dager før generalforsamlingen.

Aksjeeiere kan avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere retningslinjer for slik forhåndsstemming. Det skal fremgå av generalforsamlingsinnkallingen hvilke retningslinjer som er fastsatt.

På den ordinære generalforsmalingen skal følgende spørsmål behandles og avgjøres:

1. Godkjennelse av årsregnskap og årsberetning, herunder utdelingen av utbytte; og

2. Andre saker som i henhold til lov hører under den ordinære generalforsamlingen.

**§ 8 – Valgkomité**

Selskapet skal ha en valgkomité. Valgkomiteen skal bestå av fra to til tre medlemmer etter generalforsamlingens beslutning, hvor flertallet skal være uavhengige av styret og selskapets ledelse. Valgkomiteens medlemmer, herunder valgkomiteens leder velges av generalforsamlingen for to år av gangen om ikke generalforsamlingen fastsetter en annen periode i forbindelse med valget.

Valgkomiteen avgir innstilling til generalforsamlingen om valg av aksjonærvalgte medlemmer til styret og styrets leder, og medlemmer til valgkomiteen, samt godtgjørelse til styrets medlemmer og valgkomiteens medlemmer. Generalforsamlingen kan fastsette instruks for valgkomiteen.

**§ 7 – General meeting**

Documents concerning matters to be considered at the company's general meeting, including documents which by law must be included in or enclosed with the notice of the general meeting, need not be sent to shareholders if the documents are made available on the company's website. Notwithstanding the foregoing, a shareholder may request a copy of documents which concern matters to be considered at the general meeting.

The board of directors may decide that shareholders who want to participate in the general meeting must notify the company thereof within a specific deadline that cannot expire earlier than three days prior to the general meeting.

The shareholders may cast their votes in writing, including through electronic communication, in a period prior to the general meeting. The board of directors may establish specific guidelines for such advance voting. It must be stated in the notice of the general meeting which guidelines have been set.

The annual general meeting shall deal with and decide the following matters:

1. Approval of the annual accounts and the annual report, including distribution of dividends; and

2. Other matters which are required by law or the articles of association to be dealt with by the general meeting.

**§ 8 – Nomination committee**

The company shall have a nomination committee. The nomination committee shall consist of between two and three members as resolved by the general meeting, where the majority of the members shall be independent of the board of directors and the company's management. The members of the nomination committee, including the chairman, will be elected by the general meeting for a period of two years unless the general meeting decides otherwise in connection with the election.

The nomination committee shall give recommendations to the general meeting for the election of shareholder elected members to the board of directors and the chairperson, and to members of the nomination committee, in addition to recommendations for remuneration to the members of the board of directors and the members of the nomination committee. The general meeting may adopt instructions for the nomination committee.

# APPENDIX B

# ANNUAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2020, 2019 AND 2018

Kahoot! Group

# 2020 Annual Report

Kahoot! Group
2020 Annual Report

# Index

## Our mission

To make learning awesome

## Our vision

To build the leading learning platform in the world

## Our values

We are playful

We are curious

We are inclusive


# About Kahoot!

**Kahoot! is a global learning platform company that aims to empower everyone, including children, students, and employees, to unlock their full learning potential.**

**Unleashing this potential within every learner is what drives us, which is why we are on a mission to make learning awesome. We do this by offering an ever-expanding range of experiences that create impactful learning and engagement, across educational, corporate and social contexts.**

Our learning platform makes it easy for any individual or corporation to discover, create, share, and play learning games that drive compelling engagement. In addition, the Kahoot! family of apps takes math learning to a new level and empowers children to learn to read through play. Our Drops apps, for learners of all ages, make language learning natural with immersive visuals and play. Through Actimo, Kahoot!'s employee engagement platform, organizations can easily connect and engage with their work teams.

Kahoot! offers free and paid plans as well as a massive library of ready-to-use content, designed for use in the classroom, at work—whether in-person or virtual— or at home for social use or self-study. Today, Kahoot! is used by 7 million teachers globally, hundreds of millions of students and families, and 97% of Fortune 500 companies.

In the last 12 months, more than 250 million games have been played on the Kahoot! platform with 1.5 billion participating players in 200 countries. Kahoot! currently serves over half a million paying users from its headquarters in Norway and offices in the US, the UK, France, Finland, Estonia, Denmark and Spain. Let's play!

# Our global team

**Kahoot! has offices in the following countries:**

Norway
Denmark
Estonia
Finland
France
Spain
United Kingdom
United States

**200+**
**K!rew members**

**8+**
**countries**

**30+**
**nationalities**

# Our companies

## The Kahoot! Group consists of the following companies:

The **Kahoot!** brand represents the original Kahoot! learning platform that is synonymous with learning and engagement, no matter the subject, age, audience or context.

Organizations can connect and engage their work teams with **Actimo**, our employee engagement platform. .

Learners of all ages can make language learning natural with immersive visuals and play through our **Drops** apps.

The **Kahoot! DragonBox** series of apps takes math learning to a new level, while the **Kahoot! Poio Read** app empowers children to learn to read through play.

# The Kahoot! journey

## 2013-17

**Launched** September 2013

**Growth focus** on US and K-12

**Top 3 tool** in US education

**50+ K!rew members**

## 2018

**Launched first commerical editions** with 40K paid subscriptions

**Launched mobile apps for iOS and Android**

**75+ K!rew members**

## 2019

**New commercial subscription editions** for all segments

Reaching 170K paid subscriptions

Acquisition of **Poio** and **DragonBox**

**120+ K!rew members**

## 2020

**More commercial offerings,** with 550K+ paid subscriptions

**Launched first platform service**

Acquisition of **Actimo** enterprise learning and **Drops** language learning app

**200+ K!rew members**

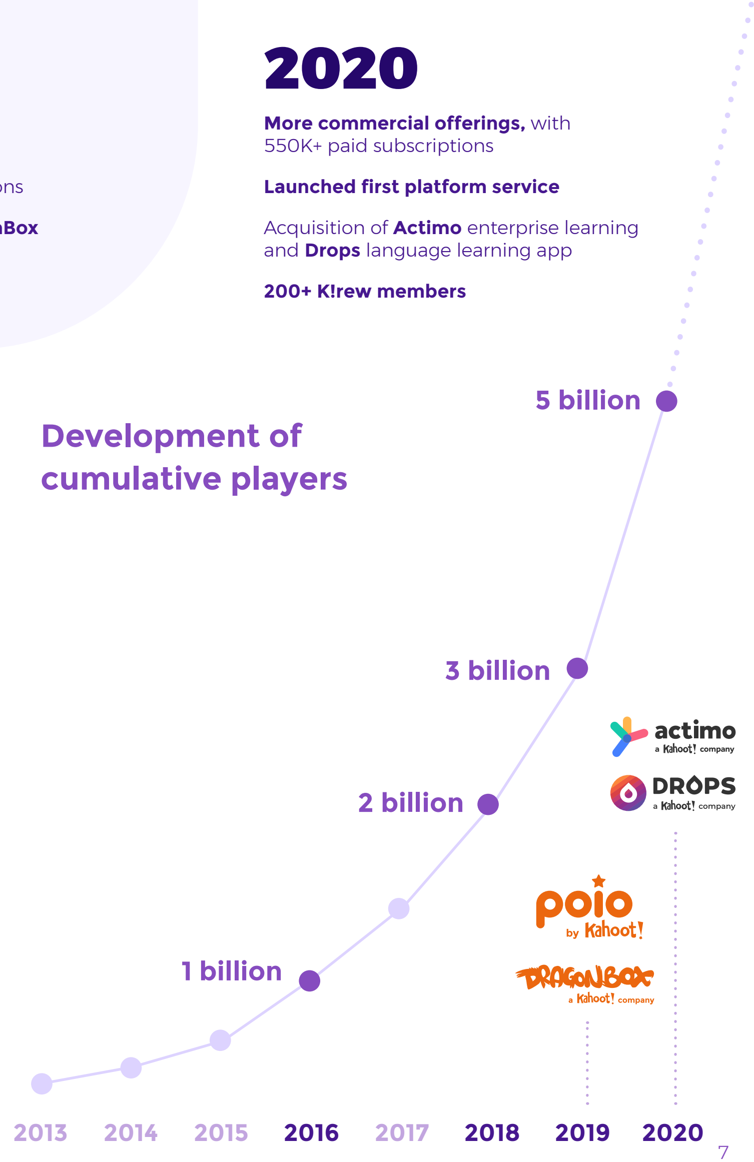
**Kahoot! was founded in 2012 by, when Morten Versvik, Johan Brand, and Jamie Brooker who, in a joint project with the Norwegian University of Science and Technology (NTNU), teamed up with Professor Alf Inge Wang and were later joined by entrepreneur Åsmund Furuseth.**

Using technology based on Kahoot! co-founder Morten Versvik's research for his Master's thesis at NTNU, the Kahoot! beta was rolled out at SXSWedu in March 2013 and officially launched in September 2013, which marked the arrival of a new way to ensure attention, create engagement and provide knowledge in classrooms. Through 2018, Kahoot! was on a fast growth trajectory with a focus on the U.S. K-12 education market.

In 2018, we launched our first commercial versions of Kahoot! for school and corporate audiences, as well as mobile apps for iOS and Android. The following year, we expanded our family of apps with the acquisition of DragonBox and Poio. Kahoot! became the go-to digital learning platform trusted by educators, professionals and families to bring engagement to learning, whether in-person or remotely. In October 2019, Kahoot! was publicly listed on Euronext Growth on the Oslo Stock Exchange. For Kahoot!, 2020 was a year that accelerated already strong growth and momentum for the company, as the shift to virtual learning due to COVID-19 sparked a surge in global demand for high quality digital learning tools and content.The company quickly pivoted to meet those needs, adding new features and launching new offerings, and acquiring Actimo and Drops.

In 2020, Kahoot! secured significant new funding and raised $240 million from SoftBank along with Norwegian and international investors, allowing us to grow our offerings as well as our global team.

### Development of cumulative players




# Letter from the CEO

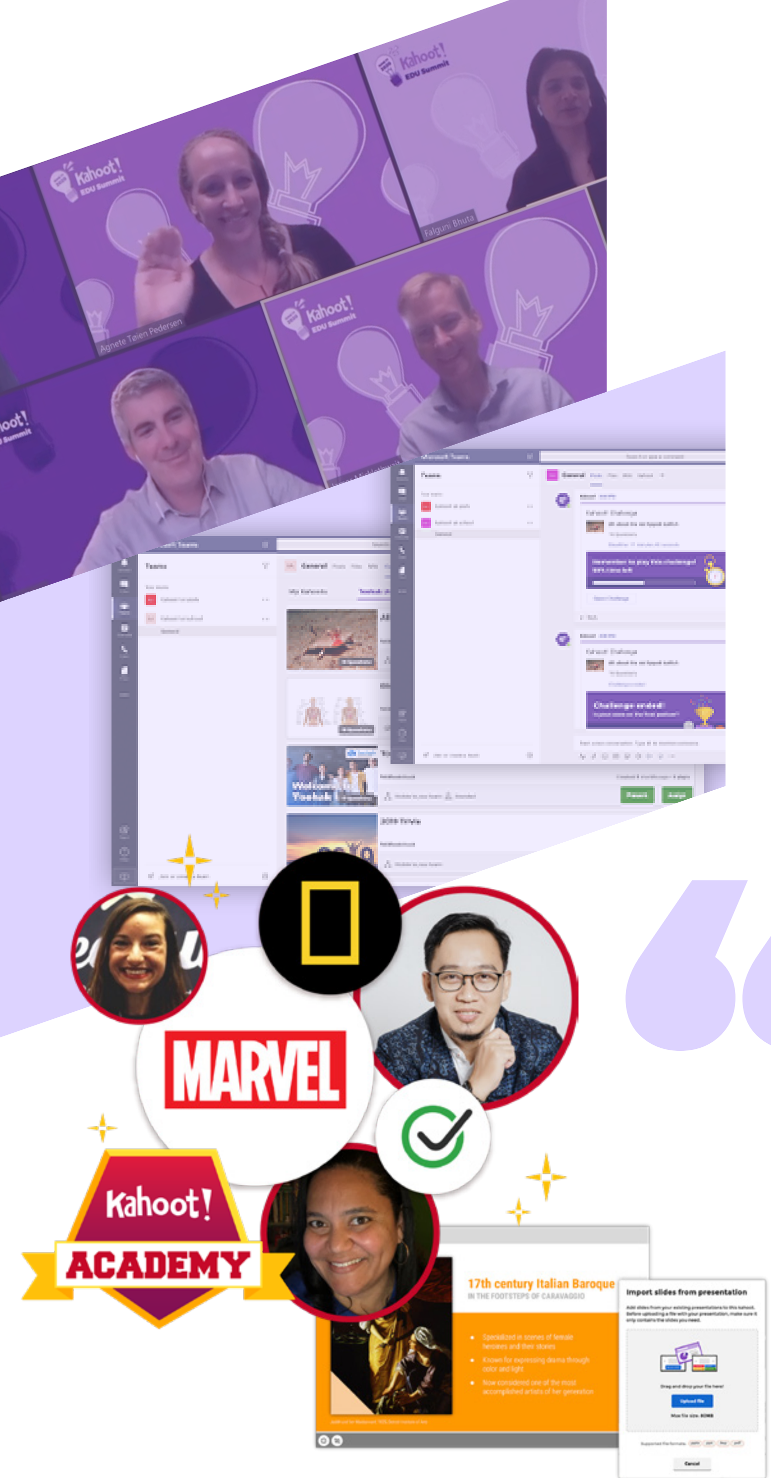
## Dear Shareholders,

2020 proved to be a pivotal year for Kahoot!. As the focus turned towards fighting a global pandemic, the world embraced new ways of learning, working and socializing, almost overnight. We witnessed the rapid **acceleration of digitalization** across all aspects of life, and at Kahoot!, we were prepared for the changes. As a company, we were well-positioned to support educators, students, parents, professionals and social groups as they navigated a new and virtual means of engaging, entertaining and learning. It became more important than ever in 2020 for us to fulfill our mission of making learning awesome for everyone, whether physically together or at a safe social distance.

Kahoot! experienced massive adoption globally throughout 2020, as it **became an essential toolkit** to stimulate engagement at school, work and home, during the pandemic and beyond. We achieved a major milestone for Kahoot!, reaching **5 billion participating players** since launch, a number that's been steadily growing over our seven-year history. This was a proud moment for all of us at Kahoot!, and a truly awesome way to end the year.

From start to finish, 2020 was a year of exciting initiatives and strong growth for Kahoot!. Our solid organic growth fueled our ambitions to build the **world's leading learning platform**, and we further strengthened this position by acquiring two companies, employee engagement platform **Actimo** and language learning platform **Drops**. With these two powerful companies now in the Kahoot! family, we have been able to bolster our learning offerings for corporate learners and those learning at home, in addition to introducing new functionality that enables millions of users to learn more effectively.

Over the course of the year, the Kahoot! team continued to define and execute on our strategy and ambitious roadmap targeting our primary segments: at school, at home and at work. We continued to build our globally recognized brand with a **viral distribution model** - based on a **scalable technology platform**. →




## Key milestones in 2020

In February 200, as schools around the world shifted to distance learning, Kahoot! was one of the first companies to respond and offer **free access to Kahoot! Premium to all educators and schools affected by the pandemic**. This offer garnered more than 100,000 signups per day at the outset of the pandemic. Shortly after, we launched a series of free learning webinars for our educator users, providing them with the support they needed to quickly adapt to new technologies. By May 2020, remote use of Kahoot! had increased 5X since the beginning of the pandemic.

Throughout the year, we continued to add new features and functionalities, for both free and paying users, to improve their experience and better support their learning, whether in-person or virtual. This included **interactive presentations** for professionals and educators, **study leagues** for students, **brainstorm** sessions for professionals and the launch of **our mobile app in five global languages**.

**When you can't meet your students in person, Kahoot! is particularly helpful to motivate them to study, give them the right share of autonomy, and involve them by leading the class.**

**Goh Kok Ming**
Math Teacher in Malaysia

In May 2020, when remote work had become the predominant 'new normal' in the corporate world, we launched **our powerful integration with the leading collaboration and communications tool, Microsoft Teams**. With this integration, users were able to launch kahoots without ever leaving the Teams application, as well as conveniently assign self-paced challenges to groups within Teams.

In early June 2020, we hosted our first-ever virtual event, the **Kahoot! EDU Summit**. This event connected over 35,000 educators globally, bringing them insightful presentations and thought-provoking discussions about the future of education through 14 sessions across 3 parallel tracks. Later in the year, we revamped **Kahoot! Certified**. This free training program for educators is designed to help them make the most of Kahoot! in their own environments. Since launch, more than 20,000 teachers have been Kahoot! Certified.

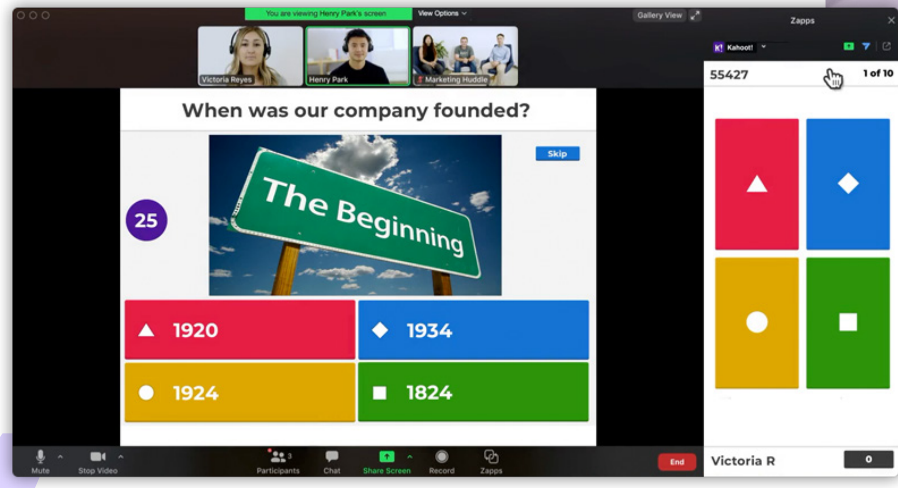
Over the summer, we launched **Kahoot! Academy**, a knowledge platform and online community. It allows educators and publishers to share and access content that supports engaging and meaningful learning experiences for learners of all ages, worldwide. Since launch, Kahoot! Academy has engaged more than 70 million users and developed a fast-growing library of thousands of engaging games and collections from Verified Kahoot! Academy educators in a range of topics and languages - all in an effort to provide high-quality content for our global audience. This has led us to forge **partnerships with content providers** such as Disney, Marvel, Common Sense Education, United Nations, Time for Kids, and many others. →

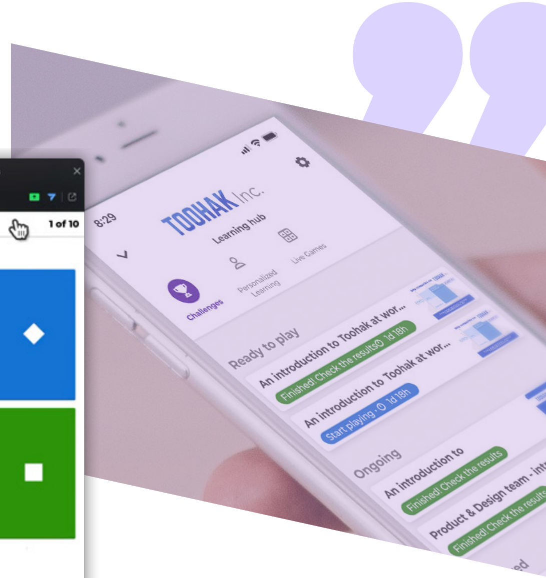
In parallel, we continued to strengthen our corporate learning offerings by launching **Kahoot! 360**. This is a powerful, collaborative platform for organizations that seek to connect teams and individuals, either in person or remotely. Today, more than 97% of Fortune 500 companies, along with companies of all sizes, rely on Kahoot! to make complex topics more exciting and to create greater engagement around work activities. This includes onboarding new employees, training of staff, conducting presentations and hosting events.

Later in the year, we also announced our forthcoming **integration with Zoom**, one of the most popular video-first unified communications platforms. This integration, expected to launch during the first half of 2021, will allow users to host and play Kahoot! games and presentations, without ever leaving their Zoom meetings.

## This integration with Kahoot! will make it easy for our users to host and play Kahoot! games during Zoom meetings and bring more value to their meetings through the high level of engagement that Kahoot! brings.

**Ross Mayfield**
Lead Product Manager, Integrations at Zoom

## Getting a Kahoot! EDU site license has helped us empower our educators with the tools to collaborate and engage learners both in class and at home.

**Jonathan Tepper**
Executive Director of Information & Learning Technology at Greenwood College School

As the back-to-school season approached in late Q3 2020, we launched **Kahoot! EDU**. The aim was to provide a scalable offering for schools, enabling the administrators and school leaders to introduce an enhanced Kahoot! experience to their entire school or district. Shortly after this launch, we followed up by announcing the **integration with Bitmoiji**, yet another way to help educators liven up their virtual classrooms and bring more engagement to self-study for students learning at home.

Last but not least, 2020 marked our foray into the “at home” user base, as we launched **Kahoot!+ Family**. This combo pack offering gives families a set of tools and apps to help them learn at home — which landed just in time for the holiday season. →

## Building a solid foundation through a strong team and culture

I've served as CEO for just over a year, and during this time I've only grown more impressed by the talented and motivated team at Kahoot!. It's a team that has continually delivered stellar products and top performance, even during extremely challenging times due to the pandemic. As a company, we shifted to a fully **remote operational working model**, becoming almost completely virtual, along with much of the world. This added new intensity to our work, increasing the demand for our products and solutions among the families, schools and corporate citizens, as they sought solutions to maintain momentum and engagement. We are fortunate that, over the years, the Kahoot! team has built a **solid technical foundation** to do just that, enabling us to continuously add more value for all our users through new and increasingly relevant solutions, resulting in a scalable cloud platform with a viral business model. It's a model that served us well during the Covid-19 pandemic.

Over the course of the year our team has grown to 200+ employees all of whom represent the strong Kahoot! **culture of curiosity, inclusivity and playfulness**. We aim to expand our employee base in all areas of the company in 2021. Our first priority has been to invest into engineering and product development, in addition to acquiring talents in customer experience, design, assisted sales, and corporate development and operations throughout the year.

## Solid financial performance

As we closed out the year, I am proud to share that our organization has stepped up to the challenges and also delivered **solid financial growth**. The Kahoot! Group reported invoiced revenue of more than **$45 million** for the full year 2020, representing **247% year-over-year growth**. We finished the year with annual recurring revenue (ARR) of approximately $60 million compared to $14 million at the same time last year.

The user growth on the platform continued with more than **24 million active accounts** in 2020 (57% year-over-year growth), more than **250 million hosted games** (19% year-over-year increase) and approximately 1.5 billion participating players (26% year-over-year growth), all in the last 12 months.

We also saw strong growth in paid subscriptions for Kahoot!, reaching more than **550,000** in the fourth quarter of 2020, at a growth rate of 220% compared to the same time last year.

At the same time, we maintained a strong focus on running our operations with **positive cash flow**. Q4 was the fifth consecutive quarter with positive cash flow, as reported $7m in the quarter.

Kahoot! raised more than **$240 million in funding** in 2020 to accelerate growth through value-creating organic and non-organic opportunities, putting the company in a strong position to continue focused execution in the future.

## 2020 was a turning point for Kahoot!

As we look back on our incredible journey in 2020, I have a tremendous amount of optimism for our future and our ability to continue to support our users and customers during these challenging times. I am incredibly proud of how we as a company have come together to strengthen our trajectory of our operations. We've done this through product development, constant focus on the user experience, and our ability to pivot and reimagine, in order to meet the changing needs of all our user groups and customers.

There's still a lot of important work to be done that will require us to stay the course, but I'm excited about the opportunities that lie ahead as we continue on our mission to make learning awesome for all!

Sincerely,

**Eilert Giertsen Hanoa**

**CEO**

# 2020 in review

## Q1

**17M** active accounts

**202K** paying users

### Jan

Launched **student-paced games on the web**

### Feb

**Free Kahoot! Premium access** for teachers and schools affected by COVID-19

Introduced **"add images as answers"** feature

### Mar

Launched **free distance learning webinar** series

## Q2

**20M** active accounts

**270K** paying users

### Apr

Launched **Kahoot! Poio Read app** in the U.S.

Added **multi-select answers** feature

Launched **interactive presentations** feature

### May

Integration with **Microsoft Teams**

**5X increase** in remote use

Introduced **new reports**

Launched **study modes** on the mobile app

### Jun

Raised **$25M+** in new equity

**Kahoot! EDU Summit** connected 35K educators worldwide

Launched **Kahoot! Academy**

Rose to **Top 5 EDU app** in U.S. and U.K.

## Q3

**21M** active accounts

**360K** paying users

### Jul

Launched **Groups**

Collaborated with **Marvel**

### Aug

Added **open-ended questions** feature

### Sep

Launched **mobile app in Spanish**

Partnered with **Disney**

Acquired **Actimo**

Announced **study leagues** on the mobile app

Overhauled **Kahoot! Certified**

## Q4

**24M** active accounts

**550K** paying users

### Oct

Launched **Kahoot! EDU**

Raised **$215M** in new equity

Integration with **Zoom**

Introduced a math symbol editor

### Nov

**400K paying users** (not including Actimo and Drops)

Partnered with **Bitmoji**

Launched **Kahoot!+ for families**

Acquired **Drops**

### Dec

Mobile app now available in **5 languages**

Added **brainstorm** feature

Reached **5B cumulative players** since launch

# Testimonials

## Teachers

This is easier said than done, but there are resources that can spice up the at-home learning experience. Many of my students love using Kahoot!, an app that allows them to take quizzes and compete against their classmates in real-time — using their smartphone, tablet or computer.

**Michael Twersky**
**Teacher and CNBC contributor**

## Students

Kahoot! has proven to be an extremely useful and, I would even say -- life-saving tool for all students who hope to do well on tests.

**Meghan Montminy**
**High school student**

## Employees

The trainer instantly knows what students understand and what needs more clarification, helping us improve the learning for everyone. Kahoot! quizzing provides a great opportunity to encourage students to discuss the content, as well as teach and encourage one another.

**Emily Zachariasen**
**Guild Mortgage**

## Families

My daughter has used Kahoot! during the time of 'stay at home' order in place. It gave her and her friends an opportunity to learn something new and have fun at the same time. To quote as my daughter said "I love kahoot because it gives me some entertainment, knowledge and fun time with my friends."

**Sandhya**
**Mother of a third grader**

## Partners

Through our eight UN75 games on Kahoot!, we reached out to several hundred thousands of students and young people in a couple of months in 186 countries. The UN75's collaboration with Kahoot! has extended the reach and engagement of our global listening exercise.

**Fabrizio Hochschild**
**UN Under-Secretary General**

# Key numbers

**5B**
Cumulative participating players since launch

**550K**
Paid subscribers **growing 220% YoY**, for professionals, teachers, and personal use

**24M+**
Active accounts whereof **7M teachers and educators**

**$45M**
Invoiced revenue for 2020, **growing 247% YoY**

**100M+**
User-generated kahoots

**1.5B**
Participating players LTM

**250M+**
Games played on the Kahoot! platform LTM

**$20B**
Large market opportunity*

*Based on estimated EdTech market in 2020 from Goldman Sachs Education Technology Sector trends and market update May 2020

# Board of Directors report

## Overview

Kahoot! is on a mission to make learning awesome! We want to empower every child, student and employee to unlock their full learning potential. Our game-based learning platform makes it easy to create, share and play learning games driving compelling engagement. Our vision is to build the leading learning platform in the world.

Kahoot! is a global learning platform company headquartered in Norway, focused on developing a game-based learning platform that makes it easy to create, share and play fun learning games or trivia quizzes. Kahoot! is used for all kinds of learning and in a variety of settings – in school or university classrooms, corporate offices and remote working spaces, social settings, and sporting and cultural events. Our aim is to make learning awesome by helping every child, student and employee unlock their full learning potential.  Kahoot! has throughout 2020 continued to expand with new free and premium tools and functionality for interactive presentations for school and work, corporate training, language learning, Academy Marketplace and additional content offerings from publishing partners, to make learning even more awesome for all users.

Over the past several years, the Kahoot! Group has witnessed a fundamental shift in how digital tools are being used in companies, organizations, in social contexts and in educational institutions. As self-study and online learning has increased in popularity, the Kahoot! Group's products have seen a significant increase in downloads and usage for home-schooling and remote classes, and organizations of all sizes are increasingly using Kahoot! for remote training, sharing knowledge and building their corporate cultures.

Kahoot! AS is the parent company of the Kahoot! Group and has since October 2019 been admitted for trading on Euronext Growth on Oslo Stock Exchange. The Company is aiming for a main listing on the Oslo Stock Exchange which may be as early as in the first quarter of 2021.

Kahoot! Is an efficient and innovative organization which employs people with a proactive approach, always searching for improved solutions towards our common goal: to make learning awesome! In pursuing this ambitious goal, Kahoot! has developed engaging products and is constantly moving forwards with new innovations and extended product offerings.

The Company is headquartered in Oslo, Norway with offices in the United States, United Kingdom, France, Finland, Estonia, Denmark and Spain. →

## Review of the consolidated financial statements

During 2020, the Kahoot! Group has converted the consolidated financial statements to the International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), and as such the 2019 and 2018 financials have been re-stated to give comparable figures. Kahoot! acquired corporate learning provider Actimo and language learning provider Drops in Q4 2020 which are included in the consolidated financial statements from acquisition date.

Consolidated operating revenue for the financial year 2020 was USD 31.0 million compared to USD 8.5 million for the financial year 2019, representing 265% growth mainly driven by increased number of paid subscriptions for the Kahoot! Group companies. Operating expenses for the financial year 2020 was USD 47 million whereof share-based compensation expense and related payroll taxes, acquisition-related expenses and listing cost preparations accounted for USD 18.3 million. EBITDA for the financial year 2020 was USD -15.9 million compared to USD -10.7 million for 2019. After adjusting for share-based compensation expense and related payroll taxes, acquisition-related expenses and listing cost preparations, EBITDA represented USD 2.3 million for the financial year 2020 compared to USD -6.6 million for the financial year 2019.

Depreciation and amortization expenses for the financial year 2020 was USD 2.6 million, compared to USD 1.7 million for the financial year 2019. For the financial year 2020, the Group had on a consolidated basis net financial expenses of USD 16.6 million, compared to USD 0.1 million for the financial year 2019. The increase in financial expenses was caused by exchange rate differences on foreign currency held in the parent company. The majority of the Group's liquidity is held in USD as this is the expected acquisition currency.

The Kahoot! Group had assets of USD 377.8 million as of 31 December 2020. Non-current assets were USD 115.7 million whereof goodwill and intangible assets accounted for USD 112.1 million. Current assets were USD 262.1 million whereof cash and cash equivalents represented USD 256.1 million. Non-current liabilities were USD 23.6 million whereof USD 15.2 million is contingent liability relating to acquisitions in 2020.

Current liabilities at the end of 2020 were USD 65.8 million whereof deferred revenue represented USD 27.9 million. Equity ratio for the Kahoot! Group as of 31 December 2020 was 76%. The liquidity for the Kahoot! Group is satisfactory with a cash balance of USD 256 million as of 31 December 2020. Cash flow from operations was $17.4 million for the financial year 2020, cash flow from investing activities was USD -34.4 million driven by the acquisitions of Actimo and Drops and cash flow from financing activities was USD 231.1 million from new capital raised in 2020. →


## Review of the parent company's financial statements

The annual accounts for the parent company have been prepared according to Norwegian Generally Accepted Accounting Principles (NGAAP). Revenue for the parent company Kahoot! AS was NOK 244.1 million for the financial year 2020 compared to NOK 69.8 million for the financial year 2019. Operating result (EBITDA) for the financial year 2020 was NOK -97.4 million impacted by share-based compensation expense and related payroll taxes of NOK 129.7 million for the year. Total equity for the parent company was NOK 2 702 million as of 31 December 2020.

## Allocation of net profit in the parent company

The parent company Kahoot! AS recorded a net loss of NOK 201.4 million for the financial year 2020. The Board of Directors proposes the net loss to be allocated to other equity.

## Going concern

In accordance with the Norwegian Accounting Act, the board of directors confirms that the annual accounts have been prepared in accordance with the going-concern assumption.

## Risk and risk management

Risk management for the Kahoot! Group is based on the principle that risk evaluation is an integral part of all business activities, where the ability to implement the Group's strategic and operational plans is influenced by various commercial, technological, and operational risk factors summarized below.

## Market risk

The Kahoot! Group is exposed to several market related risk, including but not limited to; access and ability to keep qualified employees, access to technology used in product development, ability to keep the user engagement and brand awareness, change in user pattern for existing and new users of the products offered by the Group, ability to convert non-paying users to paying subscribers, relative competitiveness in the markets where the Group operates, global or regional economic market conditions.

## Credit risk

The Kahoot! Group is exposed to credit risk from its operating activities, primarily trade receivables. The Group does not have a specific procedure for assessing credit risks for its customers before transactions are entered. The Group does not have significant credit risk associated by a single counterparty. →

## Currency risk

Due to the broad scope of the Group's international operations, a substantial portion of its assets, liabilities, sales and expenses are denominated in currencies other than NOK. The Group's predominant exposures in terms of revenue are to USD, EUR and GBP, with revenue in USD in particular.

Changes in the exchange rates between these currencies can also affect the Group's operations and financial position, as a result of translational exchange rate effects. These effects arise because the financial results of the Group's subsidiaries are measured in the currency of the primary economic environment in which the subsidiary operates (its functional currency). The results of operations and assets and liabilities of a number of the Company's global subsidiaries are, therefore, measured in currencies other than USD and are then translated into USD for presentation of the Group's financial results, assets and liabilities in the Group's financial statements. Consequently, fluctuations in the applicable foreign currency exchange rates may increase or decrease the USD value of the Group's non-USD assets, liabilities, sales, costs and order intake, even if their value has not changed in the local functional currency.

## Interest risk

The group holds no long-term borrowings and no interest-bearing debt. Lease contracts resulting in a recognized lease liability are not subject to change in payments derived from interest fluctuations, and the Groups exposure to interest rate fluctuations and credit availability is there for limited.


## Liquidity risk

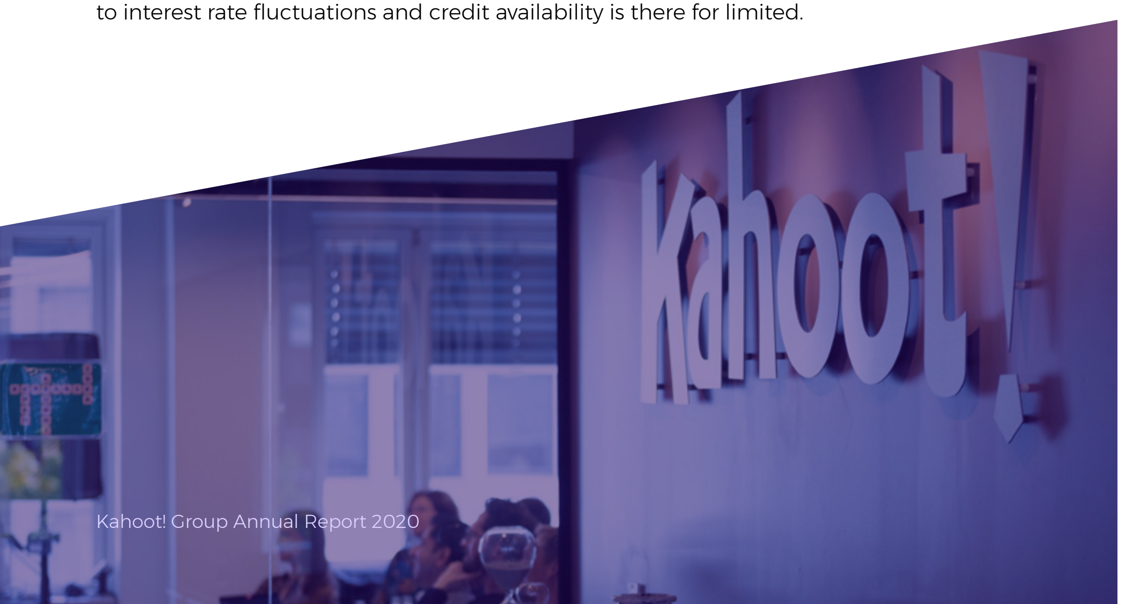
Kahoot! successfully raised new share capital in 2020, resulting in a strong financial position. Further, the Kahoot! Group has positive cash flow from operations and does not have any interest-bearing debt.

## Working environment

The working environment is considered good. Relying on highly skilled and motivated employees to succeed, Kahoot! is constantly working to maintain an attractive and rewarding working environment. For the financial year 2020, the registered level of absence due to sickness in the parent company was 1.3 %. No accidents or injuries occurred during the year.

## Impact on external environment

Reducing both Kahoot!'s and our customers' impact on the environment is an important focus for Kahoot! and the Board of Directors. Kahoot! strives to keep its environmental footprint minimal by investing in offices with natural lighting and recycling. The company educates its employees on sustainability issues and engages them to participate in promoting sustainability. Kahoot!'s products promote digital and remote learning and hence allow for reduction of travel and unnecessary negative impact on the environment. →



## Equal opportunities

At the end of 2020, the parent company Kahoot! AS had 95 employees, of which 33% were women. The market in which Kahoot! operates is somewhat overrepresented by by male employees, but the Kahoot! Group is actively working towards a diversified working environment. Women are represented in most of the company's departments and the ratio between men and women will continue to be monitored. Kahoot! strongly respects and supports diversity in general and see this as a competitive advantage to create value for the company and its shareholders. Kahoot! has a policy that includes the principle of equal opportunities for equal work, implying that every employee will have the same rights, salary and career options in the same position, all other factors being equal.

## Discrimination

Inclusivity is one of Kahoot!'s core values, and the Company is committed to team diversity as a driver of success. The Company's global team includes members of over 30 nationalities with different cultural and ethnic backgrounds.

## Shareholders

Kahoot! AS has a total of 446.1m common shares and more than 19,000 shareholders. The shares are listed on Euronext Growth on Oslo Stock Exchange with ticker code KAHOT.

## Outlook 2021 and events after the end of the financial year

The Kahoot! Group's main markets are characterised by technological advances, change in customer requirements and frequent new product introductions and improvements. As user preferences change and develop, Kahoot! will stay attractive and relevant for its users through maintaining a persistent focus on innovation and creativity to retain its users' brand loyalty and attract further interest within all user categories.

Kahoot!'s game-based learning platform makes it easy to create, share and play learning games driving compelling engagement. In 2020 the Group has experienced a significant growth in use of its products, where 250 million games were played on the Kahoot! platform with 1.5 billion participating players with a strong growth in number of paying subscribers. Kahoot! is thus well positioned for continued growth and success.

## Oslo, 9 February 2021

*Sign*

**Harald Arnet**
Chairman

*Sign*

**Fredrik Cassel**
Board Member

*Sign*

**Michiel Kotting**
Board Member

*Sign*

**Sindre Østgård**
Board Member

*Sign*

**Stefan Blom**
Board Member

*Sign*

**Eilert Hanoa**
CEO

# Sustainability and social responsibility

**We believe engaging learning is the key to development and empowerment at school, at home and at work. Kahoot!'s focus as a company is to operate in a sustainable way, in alignment with the United Nations Sustainable Development Goals and the impact on learning we're aiming to make around the world.**

## Quality education

Goal 4 (SGD4) is to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all by 2030.

SDG4 is key to Kahoot!'s mission and operations. We contribute to literacy, numeracy, overcoming language barriers, making learning more inclusive, and ensuring that learners acquire knowledge to promote sustainable development.

Kahoot! supports quality education through our main platform, as well as DragonBox and Poio, award-winning math and learn-to-read apps, and the Drops apps, which make language learning natural with immersive visuals and play. Together, we are on a mission to empower children of any background to learn through play, and build the world's largest sustainable learning community! →

# Making learning more inclusive

Kahoot! is an easy-to-use tool for everyone, putting students front and center, with equal chances of becoming classroom heroes. Read how Arts teacher Barbara Wingfield encouraged creative teamwork with students co-creating kahoots in ASL.

In response to COVID-19 and the global shift to distance learning, Kahoot! offered free access to Premium features for all educators impacted by the pandemic, working to ensure that educators could continue to connect with and engage their students, whether in the classroom or at home.

Inclusion is one of our core values, and it informs how we operate as an organization. We aim to be compliant with the Web Content Accessibility Guidelines (WCAG) version 2.0, to an AA conformance level. Read our accessibility policy.

# Overcoming language barriers

Kahoot! is played in over 200 countries all over the world, helping learners connect through the universal language of play and gain confidence in a new language. Many teachers use Kahoot! to help international learners—including refugees—to learn a new language, such as Carol Salva, an ESL consultant who used Kahoot! to educate refugee students and help them connect. Kahoot! has also recently expanded our offering for language learners with the Drops apps. →

# Keeping users safe

While Kahoot! enables users to create the content they wish without requiring pre-screening, we also take steps to ensure that Kahoot! is a safe and welcoming space for all, and any inappropriate or harmful content is removed from the platform. Users have the option to flag any kahoot game, which is then reviewed by a Kahoot! moderator within 24 hours. Content may be removed for containing inappropriate language including misinformation, harassment, bullying, racism or other bigotry.

New kahoot games are checked automatically for any words the Kahoot! team has identified as inappropriate, allowing potentially harmful content to be reviewed by moderators and removed if necessary. Hosts also have the option to moderate player nicknames, giving them the tools to keep gameplay safe and age-appropriate.

Kahoot! is proudly ad-free on both the website and mobile app. This ensures that children are not exposed to potentially negative influences on our platform and allows young Kahoot! users to focus on playing and learning.

# Making a positive social impact, globally

We at Kahoot! believe that learning should include everyone, and we work to eliminate barriers to education. Kahoot! aims to foster partnerships with organizations and institutions that both share our vision for positive social impact and which have important content to offer the youth audience – our future game-changers.

Our partnerships with such organizations as the United Nations, UNICEF, Common Sense Education, Amnesty International, the National Institutes of Health, the Marine Stewardship Council, and many more are examples of our strong shared commitment to this vision.

In close collaboration with these partners on the important topics of human rights, children's rights, bullying prevention, cyberbullying & online safety, diversity and inclusion, the dangers of drugs & alcohol use and sustainability, we've been able to engage millions of learners and their educators around the world.

Our partnerships with such organizations as Tiimo and the Ad Council reflect our commitments to this belief and enable Kahoot! to offer meaningful and inspiring learning content that can open minds and break stereotypes associated with gender, ethnicity, religion and neurodiversity (e.g., ADHD and autism). →


# Reducing our environmental footprint

At Kahoot!'s headquarters in Oslo, Norway, we strive to keep our environmental footprint minimal by investing in an office with natural lighting and recycling, and using more clean energy. We educate our employees on sustainability issues and engage them to participate in promoting sustainability.

# Valuing diversity

Inclusivity is one of our core values, and we believe our team's diversity is a driver of success. Our global team includes members of over 30 nationalities. Kahoot!'s full team of top leaders, including the Executive Management, consists of, in total, 24 individuals of around 10 nationalities where 42% are women.

By growing our team to include the voices of a diverse range of professionals, we are able to build a more dynamic and creative company culture at Kahoot!. As we collaborate and contribute our unique points of view, social and cultural awareness and language abilities, together we drive greater innovation and global growth.

Members of the K!rew are protected in a safe work environment by the Norwegian Working Environment Act and the gender equality and discrimination act. We value a good work-life balance, invest in our employees and welcome feedback from all in our mission to make learning awesome!

# Financial statements

## Consolidated group

# Consolidated group annual financial statements 2020

## Consolidated statement of profit or loss

| USD in thousands | Note | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| Revenue from contracts with customers | 5 | 30,859 | 8,464 | 1,775 |
| Other operating income | **5** | 175 | - | 166 |
| Total revenue and other operating income | | 31,034 | 8,464 | 1,941 |
| Cost of sales | | 3,790 | 906 | 164 |
| Employee benefit expenses | 6,17 | 31,625 | 12,142 | 9,593 |
| Other operating expenses | 7,17 | 11,553 | 6,138 | 4,158 |
| Operating profit/(loss) before deprec. and amortiz. (EBITDA) | | (15,936) | (10,721) | (11,975) |
| Amortization of intangible assets | 11 | 1,897 | 1,097 | 982 |
| Depreciation | 13, 14 | 685 | 569 | 84 |
| Operating profit/(loss) (EBIT) | | (18,517) | (12,387) | (13,041) |
| Financial income | 8 | 372 | 347 | 109 |
| Financial expenses | 8 | (329) | (255) | (21) |
| Net change in fair value of financial instruments | 8, 19 | 848 | - | |
| Net foreign exchange gains (losses) | 8 | (17,510) | (224) | (70) |
| Net financial income (expenses) | | (16,619) | (133) | 18 |
| Profit/(loss) before income tax | | (35,136) | (12,519) | (13,023) |
| Income tax | 9 | (656) | (44) | - |
| Profit/(loss) for the year | | (34,481) | (12,475) | (13,023) |
| Profit/(loss) for the year is attributable to: | | | | |
| Equity Holders of Kahoot! AS | | (34,481) | (12,475) | (13,023) |
| Earnings per share in USD | | | | |
| Basic earnings per share | | (0.09) | (0.03) | (0.04) |
| Diluted earnings per share | | (0.09) | (0.03) | (0.04) |

## Consolidated statement of comprehensive income or loss

| USD in thousands | Note | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| Profit/(loss) for the year | | (34,481) | (12,475) | (13,023) |
| Other comprehensive income (loss): | | | | |
| Items that might be subsequently reclassified to profit or loss: | | | | |
| Exchange differences on translation of foreign operations | | (325) | (15) | (35) |
| Item that are not reclassified to profit or loss: | | | | |
| Exchange difference on translation to another presentation currency | | 17,413 | 1,044 | (2,271) |
| Total comprehensive income (loss) for the year | | (17,392) | (11,447) | (15,329) |
| Total comprehensive income is attributable to: | | | | |
| Equity Holders of Kahoot! AS | | (17,392) | (11,447) | (15,329) |

## Consolidated balance sheet

| USD in thousands | Note | 31.12.2020 | 31.12.2019 | 31.12.2018 | 01.01.2018 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Goodwill | 12 | 77,745 | 20,097 | - | - |
| Intangible assets | 11 | 34,373 | 8,902 | 3,718 | 4,910 |
| Property, plant and equipment | 13 | 409 | 313 | 140 | 56 |
| Right-of-use assets | 14 | 3,165 | 3,078 | 3,416 | - |
| Deferred tax asset | 9 | - | - | - | |
| Total non-current assets | | 115,692 | 32,390 | 7,274 | 4,966 |
| **Current assets** | | | | | |
| Trade receivables | 15 | 2,671 | 1,322 | 378 | 87 |
| Other current assets | | 3,316 | 599 | 614 | 491 |
| Cash and cash equivalents | 16 | 256,120 | 40,851 | 27,843 | 4,446 |
| Total current assets | | 262,108 | 42,772 | 28,836 | 5,024 |
| TOTAL ASSETS | | 377,800 | 75,163 | 36,110 | 9,990 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share capital | 18 | 5,228 | 1,473 | 1,334 | 52 |
| Share premium | 18 | 357,383 | 92,621 | 53,439 | 24,349 |
| Share-based payments reserves | 18 | 5,542 | 2,095 | 1,586 | 1,151 |
| Foreign currency translation reserves | 18 | (375) | (50) | (35) | - |
| Retained earnings | 18 | (79,373) | (40,112) | (27,860) | (16,592) |
| Total equity | | 288,406 | 56,027 | 28,464 | 8,960 |
| **Non-current liabilities** | | | | | |
| Lease liabilities | 14 | 2,312 | 2,561 | 2,915 | - |
| Deferred tax liability | 9 | 5,843 | 1,346 | - | - |
| Other non-current liabilities | 19, 20 | 15,447 | - | - | - |
| Total non-current liabilities | | 23,602 | 3,907 | 2,915 | - |
| **Current liabilities** | | | | | |
| Lease liabilities | 14 | 964 | 601 | 551 | - |
| Trade payables | 19. 20 | 1,817 | 940 | 175 | 284 |
| Contract liabilities (deferred revenue) | 5 | 27,899 | 6,072 | 1,626 | 156 |
| Other current liabilities | 19, 20 | 35,111 | 7,616 | 2,378 | 590 |
| Total current liabilities | | 65,791 | 15,229 | 4,730 | 1,030 |
| Total liabilities | | 89,393 | 19,136 | 7,646 | 1,030 |
| TOTAL EQUITY AND LIABILITIES | | 377,800 | 75,163 | 36,110 | 9,990 |

**Oslo, 9 February 2021**

*Sign*

**Harald Arnet**
Chairman

*Sign*

**Fredrik Cassel**
Board Member

*Sign*

**Michiel Kotting**
Board Member

*Sign*

**Sindre Østgård**
Board Member

*Sign*

**Stefan Blom**
Board Member

*Sign*

**Eilert Hanoa**
CEO

## Consolidated statement of changes in equity

| USD in thousands | Note | Share capital | Share premium | Share-based payments reserves | Translation differences reserves | Retained earnings | Total equity |
|---|---|---|---|---|---|---|---|
| Balance at 1 January 2018 | 18 | 52 | 24,349 | - | - | (13,538) | 10,864 |
| Adjustments from NGAAP to IFRS | | - | - | 1,151 | - | (3,054) | (1,903) |
| Balance at 1 January 2018 | 18 | 52 | 24,349 | 1,151 | - | (16,592) | 8,960 |
| Profit/(loss) for the year | | - | - | - | - | (13,023) | (13,023) |
| Currency translation differences [1] | | (80) | (3,848) | (98) | (35) | 1,755 | (2,307) |
| Total comprehensive income/(loss) for the year | | (80) | (3,848) | (98) | (35) | (11,269) | (15,330) |
| Issuance of shares | 18 | 1,362 | 34,769 | - | - | - | 36,131 |
| Transaction costs on equity issues | 18 | - | (1,832) | - | - | - | (1,832) |
| Share option program | 17 | - | - | 534 | - | - | 534 |
| Balance at 31 December 2018 | 18 | 1,334 | 53,439 | 1,586 | (35) | (27,860) | 28,464 |
| Profit/(loss) for the year | | - | - | - | - | (12,475) | (12,475) |
| Currency translation differences [1] | | (9) | 844 | (15) | (15) | 223 | 1,028 |
| Total comprehensive income/(loss) for the year | | (9) | 844 | (15) | (15) | (12,252) | (11,447) |
| Issuance of shares | 18 | 148 | 40,510 | - | - | - | 40,658 |
| Transaction costs on equity issues | 18 | - | (2,172) | - | - | - | (2,172) |
| Share option program | 17 | - | - | 524 | - | - | 524 |
| Balance at 31 December 2019 | 18 | 1,473 | 92,621 | 2,095 | (50) | (40,112) | 56,026 |
| Profit/(loss) for the year | | - | - | - | - | (34,481) | (34,481) |
| Currency translation differences [1] | | 334 | 21,480 | 378 | (325) | (4,780) | 17,088 |
| Total comprehensive income/(loss) for the year | | 334 | 21,480 | 378 | (325) | (39,261) | (17,392) |
| Issuance of shares | 18 | 3,421 | 253,520 | - | - | - | 256,940 |
| Transaction costs on equity issues | 18 | - | (10,237) | - | - | - | (10,237) |
| Share option program | 17 | - | - | 3,069 | - | - | 3,069 |
| Balance at 31 December 2020 | 18 | 5,228 | 357,383 | 5,542 | (375) | (79,373) | 288,406 |

[1] The currency translation differences arising from the translation to the presentation currency is not included as a translation differences reserves, but presented as part of the different categories of the equity. These translation differences cannot be recycled through profit or loss.

# Consolidated statement of cash flows

| USD in thousands | Note | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| Cash flows from operating activities | | | | |
| Profit/(loss) before income tax | | (35,136) | (12,519) | (13,023) |
| *Adjustments for:* | | | | |
| Depreciation and amortization | 11, 13, 14 | 2,582 | 1,666 | 1,066 |
| Net interest income | 8 | (329) | (255) | (21) |
| Share-based payments expense | 6 | 3,069 | 524 | 534 |
| Change in trade and other receivables | | 279 | (945) | (316) |
| Change in contract liabilities (deferred revenue) | | 13,807 | 5,247 | 1,580 |
| Change in trade payables | | 591 | 765 | (108) |
| Change in other current assets and other liabilities | | 32,191 | 2,684 | 1,697 |
| Interest received | 8 | 372 | 347 | 109 |
| Net cash flow from operating activities | | 17,426 | (2,486) | (8,481) |
| | | | | |
| Cash flows from investing activities | | | | |
| Payment for acquisition of subsidiary, net of cash acquired | 4 | (34,227) | (8,996) | - |
| Payment for property, plant and equipment | | (214) | (230) | (153) |
| Net cash from investing activities | | (34,441) | (9,226) | (153) |
| | | | | |
| Cash flows from financing activities | | | | |
| Proceeds from issuance of ordinary shares | **18** | 241,931 | 28,184 | 35,725 |
| Transaction costs on issuance of ordinary shares | 18 | (10,237) | (2,172) | (1,832) |
| Repayments of lease liabilities | 14 | (537) | (461) | - |
| Paid interest on lease liabilities | 14 | (78) | (91) | - |
| Net cash from financing activities | | 231,079 | 25,460 | 33,894 |
| | | | | |
| Net increase/(decrease) in cash and cash equivalents | | 214,064 | 13,748 | 25,260 |
| Cash and cash equivalents as of 1 January | 16 | 40,851 | 27,843 | 4,446 |
| Effects of exchange rate changes on cash and cash equivalents | | 1,205 | (740) | (1,863) |
| Cash and cash equivalents as of 31 December | | 256,120 | 40,851 | 27,843 |

# Notes

## Note 1 General Information

Kahoot! AS (the Company or Kahoot!), the parent company of the Kahoot! Group (the Group) is a limited liability company incorporated and domiciled in Norway, with its head office in Fridtjof Nansens plass 7, 0160 Oslo. The Company is listed on Euronext Growth in Oslo, Norway and has the ticker "KAHOT".

The Group is on a mission to make learning awesome! The Group wants to empower every child, student and employee to unlock their full learning potential. The Group's game-based learning platform makes it easy to create, share and play learning games driving compelling engagement. In addition, the Group's family of apps takes math learning to a new level and empowers children to learn to read through play. Launched in 2013, the Group's vision is to build the leading learning platform in the world. In 2020 over 250 million games were played on the Kahoot! platform with 1.5 billion participating players in 200 countries.

These consolidated financial statements have been approved for issuance by the Board of Directors on 9 February 2021. The Group has implemented IFRS per 1 January 2018, as further described in note 25.

## Note 2 Significant events in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- The acquisitions of DragonBox and Poio 1 September 2019, Actimo 5 October 2020 and Drops 28 November 2020, (see note 4) resulted in recognition of goodwill, technology and brand.
- Through share issues, securing a broader investor base and strong balance sheet with a cash position of more than USD 250 million.
- Strong revenue growth as result of successful commercial development of the Kahoot! offerings.

## Note 3 General accounting principles

The general accounting policies applied in the preparation of these consolidated financial statements are set out below. Specific accounting principles are described in the relevant notes.

### Basis of preparation

The consolidated financial statements of Kahoot! AS are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), and additional disclosure requirements in the Norwegian Accounting Act as effective of 31 December 2020.

The consolidated financial statements are presented in US dollars (USD), and have been rounded to the nearest thousand unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the total.

The financial statements are prepared on a going concern basis. The financial statements have been prepared on a historical cost basis.

### Foreign currency

#### Functional currency, presentation currency and consolidation

The Group's presentation currency is USD. The functional currency of the parent company is NOK.

For consolidation purposes all subsidiaries with a different currency than the parent company is translated into NOK at the rate applicable at the balance sheet date. Income statements are translated at the average exchange rate that approximates the prevailing rate at the date of transaction. All exchange differences are recognized in other comprehensive income/(loss) as translation differences that might be recycled to profit or loss on disposal or partial disposal of the net investment. Following the consolidation, the Group's consolidated balance sheet is retranslated to its presentation currency (USD) at the rate applicable at the reporting date. Consolidated statement of profit or loss and statement of cash flow are translated at its average rate that approximates the prevailing rate at the date of transaction. The translation differences arising from the translation to the presentation currency is not included as a foreign currency translation reserve, but presented as part of the different categories of the equity. These translation differences cannot be recycled. The periods capital changes are presented at its transaction rate and recalculated to the rate applicable at the balance sheet date.

#### Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Monetary balances in foreign currencies are translated into the functional currency at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies are generally recognized in the consolidated statement of profit or loss.

### Principles of consolidation

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Figures from subsidiaries with different account policies are amended to ensure consistent accounting policies for the Group.

If the Group loses control over a subsidiary it derecognizes the assets, liabilities, and non-controlling interest, and reclassifies to profit or loss, or transfers directly to retained earnings as appropriate, the amounts recognized in other comprehensive income/(loss) in relation to the subsidiary.

### Classification of current and non-current items

An asset is classified as current when it is expected to be realized or sold, or to be used in the Group's normal operating cycle, or falls due or is expected to be realized within 12 months after the end of the reporting period. Other assets are classified as non-current. Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the Group or are expected to be settled within 12 months of the end of the reporting period, or if the Group does not have an unconditional right to postpone settlement for at least 12 months after the balance sheet date.

### Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. The Company has determined that the Board of Directors are the chief operating decision maker.

The segment information is reported in accordance with the reporting to the Board of Directors (the chief operating decision makers) and is consistent with financial information used for assessing performance and supporting the Group's direction and strategy, resource allocation and acquisition activities.  The Group has identified one segment. The Group is monitored at consolidated income statement, balance sheet and cash flow, in addition to the following alternative performance measures: invoiced revenues, cash conversion from invoiced revenues and number of paid subscriptions. Alternative performance measures are monitored at Kahoot! Group level. Earnings before interest, taxes, depreciation and amortization (EBITDA) is defined as the segment's measure of profit or loss.

### The use of estimates and assessment of accounting policies when preparing the annual accounts

**Estimates and assumptions**

Management has used estimates and assumptions that have affected assets, liabilities, revenues, expenses and information on potential liabilities. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Judgements**

Management has, when preparing the financial statements; made certain significant assessments based on critical judgment when it comes to application of the accounting principles.

**Material exercise of judgment and estimates relate to the following matters:**

- Business combinations, note 4
- Revenue recognition, note 5
- Intangible assets, note 11

# Note 4 Business combinations

## Accounting principles

The acquisition method of accounting is used to account for all business combinations. The consideration transferred in a business combination comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value, or at the non-controlling interests proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

Goodwill arising on acquisition is recognized as an asset measured at the excess of the sum of the consideration transferred, the fair value of any previously held equity interests and the amount of any non-controlling interests in the acquired entity over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the net fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities exceeds the total consideration of the business combination, the excess is recognized in the statement of profit or loss immediately.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquisition is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognized in profit or loss.

## Acquisitions 2020

### Critical judgements and significant estimates

The acquisitions required the use of critical judgements and significant estimates when identifying and valuing intangible assets. For Actimo and Drops three possible intangible assets were identified: technology, brand and customer relationship. The customer relationship relates to existing customers for Actimo and existing subscribers for Drops.  Existing customer relationships are attributed zero value and identified intangible assets were technology and brand.

The relief-from-royalty method have been applied to measure the fair value of the technology and the brand. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The valuation is based on projected cash flows for the next 6 years, which includes estimated revenue growth. These cash flows are adjusted for assumptions about churn, attrition and multiplied by a royalty rate (cost saving from owning the technology and brand). These cost savings are discounted using a cost of capital rate between 12.4%-12.9%. The royalty rate for technologies is assumed to be 30% and for the brands 2%. The brands are assumed to have from five years to seven years life and technology a useful life of seven years.

## Description

**Actimo**

Actimo ApS ("Actimo") was acquired by a purchase of 100% of the shares effective from 5 October 2020. Actimo, an employee engagement platform that empowers organizations to more efficiently build corporate culture with better communication, training and interaction with the workforce was acquired for a total consideration of USD 26-33 million on a debt and cash free basis including a performance-based element. The consideration was settled by a combination of cash and 1,114,963 new Kahoot! AS Shares at a subscription price of NOK 46.82 per share.

**PlanB Labs Oü (Drops)**

PlanB Labs Oü ("Drops", hereafter referred to as Drops) was acquired by a purchase of 100% of the shares effective from 28 November 2020. Drops, one of the fastest growing language platforms in the world was acquired for a total consideration of USD 31 million on a debt and cash free basis in addition to a performance-based element up to USD 19 million depending on Drops performance in 2020, 2021 and 2022. The consideration was settled by a combination of cash and 859,169 new Kahoot! AS Shares at a subscription price of NOK 62.63 per share.

**Preliminary purchase price allocation - assets acquired and liabilities assumed**

The amounts recognized at the date of acquisitions in respect of identifiable assets acquired and liabilities assumed are set out in the table at right, using the exchange rate as of 5 October for Actimo and exchange rate as of 28 November for Drops.

Goodwill from the acquisitions of Actimo and Drops are attributable to synergies, and will lead to additional value for the Group's subscription-based product offering when combined with the Kahoot! products and marketing as one product going forward.

Acquisition costs of USD 540 thousand arose as a result of the transactions. These have been recognized as part of other operating expenses in the statement of statement of profit or loss.

| USD in thousands | Actimo | Drops |
|---|---|---|
| Purchase consideration | | |
| Cash consideration | 21,034 | 16,372 |
| Shares issued | 5,643 | 6,073 |
| Contingent liability / earn-out | 6,285 | 20,673 |
| Total purchase consideration | 32,962 | 43,118 |
| | | |
| Brand | 332 | 1,067 |
| Technology | 7,953 | 17,057 |
| Property, plant and equipment | - | 45 |
| Trade and other receivables | 1,559 | 1,769 |
| Cash and cash equivalents | 1,503 | 1,676 |
| Deferred tax liability | (1,049) | (3,625) |
| Trade payables and other current liabilities | (3,459) | (3,852) |
| Total net identifiable assets acquired at fair value | 6,839 | 14,137 |
| Total purchase consideration | 32,962 | 43,118 |
| Goodwill | 26,123 | 28,980 |
| | | |
| Net cash outflow arising on acquisition | | |
| Cash consideration | 21,034 | 16,372 |
| Less: cash and cash equivalents acquired | 1,503 | 1,676 |
| Total cash consideration | 19,531 | 14,696 |

Since the acquisition date 5 October 2020, Actimo has contributed with USD 1,125 thousand to the Group's revenue and a loss USD 590 thousand to the Group's total loss.

Drops have contributed with USD 726 thousand to the Group's revenue since the acquisition date 28 November 2020 and a positive net income contribution of USD 60 thousand to the Group's total loss.

If the acquisitions of Actimo and Drops had occurred on 1 January 2020, the revenue for the Group would have been USD 40,842 thousand and the Group's loss would have been USD 36,443 thousand.

## Acquisitions 2019

### Critical judgements and significant estimates

The acquisitions required the use of critical judgements and significant estimates when identifying and valuing intangible assets. For DragonBox three possible intangible assets were identified: technology, brand and customer relationship. The customer relationship relates to sale to schools for DragonBox (recurring revenue). Existing customer relationships are attributed zero value and identified intangible assets were technology and brand. For Drops, existing customer relationships are attributed zero value and identified intangible assets were technology and brand.

The relief-from-royalty method have been applied to measure the fair value of the technology and the brand. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The valuation is based on projected cash flows for the next 6 years, which includes estimated revenue growth. These cash flows are adjusted for assumptions about churn, attrition and multiplied by a royalty rate (cost saving from owning the technology and brand). These cost savings are discounted using a cost of capital rate between 10.5%-12.0%. The royalty rate for technologies is assumed to be 30% and for the brands 2%. The brands are assumed to have indefinite life and technology a useful life of seven years.

### Description

**DragonBox**

DragonBox was acquired by a purchase of 100% of the shares effective from 1 September 2019. DragonBox, the award-winning game-based learning studio and maker of the popular DragonBox family of math apps was acquired for a total consideration of USD 17.3 million on a debt and cash free basis. The consideration was settled by a combination of cash and 3,868,636 (adjusted for split in 1:3 split in 2020, see note 18) new Kahoot! AS shares at a subscription price of NOK 25 per share.

**Poio**

Poio was acquired by a purchase of 100% of the shares effective from 1 September 2019. Poio, the game-based learning-to-read app, helping children crack the reading code through playing was acquired for a total consideration of USD 6.2 million on a debt and cash free basis. The consideration was settled by a combination of cash and 1,383,660 (adjusted for split in 1:3 split in 2020, see note 18)  new Kahoot! AS shares at a subscription price of NOK 25 per share.

**Final purchase price allocation - assets acquired and liabilities assumed**

The amounts recognized at the date of acquisitions in respect of identifiable assets acquired and liabilities assumed are set out in the table below, using the exchange rate as of 1 September 2019.

| USD in thousands | DragonBox | Poio |
|---|---|---|
| Purchase consideration | | |
| Cash consideration | 6,683 | 2,422 |
| Shares issued | 10,633 | 3,803 |
| Total purchase consideration | 17,317 | 6,225 |
| | | |
| Brand | 1,616 | 418 |
| Technology | 3,296 | 768 |
| Property, plant and equipment | 13 | 5 |
| Other non-current financial assets | (83) | (220) |
| Inventory | - | 9 |
| Trade and other receivables | 185 | 141 |
| Cash and cash equivalents | 23 | 87 |
| Deferred tax liability | (1,081) | (261) |
| Trade payables and other current liabilities | (689) | (86) |
| Total net identifiable assets acquired at fair value | 3,281 | 862 |
| Total purchase consideration | 17,317 | 6,225 |
| Goodwill | 14,036 | 5,364 |
| | | |
| Net cash outflow arising on acquisition | | |
| Cash consideration | 6,683 | 2,422 |
| Less: cash and cash equivalents acquired | 23 | 87 |
| Total cash consideration | 6,661 | 2,335 |

Goodwill from the acquisitions of DragonBox and Poio are attributable to synergies, and will lead to additional value for the Group's subscription-based product offering when combined with the Kahoot! products and marketing as one product going forward.

Acquisition costs of USD 347 thousand arose as a result of the transactions. These have been recognized as part of other operating expenses in the consolidated statement of profit or loss.

Since the acquisition date 1 September 2019, DragonBox have contributed USD 703 thousand to the Group's total revenue and a loss of USD 479 thousand to the Group's total loss.

Since the acquisition date 1 September 2019, Poio have contributed USD 124 thousand to the Group's total revenue and a loss of USD 159 thousand to the Group's total loss.

If the acquisitions had occurred on 1 January 2019, the revenue for the Group would have been USD 10,116 thousand and the Group's loss would have been USD 9,072 thousand.

## Note 5 Revenue

### Accounting principles

The revenue in the Group is generated from five different licenses: Kahoot!, DragonBox, Poio, Actimo and Drops, which are further described below.

**The Kahoot! license** is sold either through the Group's website or through apps. The app itself is for free, but it is possible to sign up for different subscriptions based on a monthly price (through an in-app purchase). The subscription is cloud-based. It is presented in different ways for the different customer-types, but the underlying product is the same.

The subscriptions are not customized to the individual customers and prepaid (mostly by 12 months). Kahoot! has the right to change or withdraw features, specifications, services and contents without noticing customers and customers are exposed to any positive or negative effects from the changes. The Kahoot! products are mainly paid upfront by credit cards based on subscription periods.

The license is the only performance obligation. The design and the content might change during the subscription period and the customers expect that the products are updated. Kahoot! delivers a subscription which gives the customer access to the services they have subscribed to. Revenue from the Kahoot! subscriptions are recognized over time (over the subscription period).

As Kahoot! develop and acquire new businesses, these products are over time integrated in relevant subscriptions as part of access to the Kahoot! platform.

#### Sale through app store

Customers can purchase the DragonBox and Poio apps through an app store. At the time of purchase the apps are sold and customers have access to the apps with no time limit. Customer can benefit from the software (apps received at delivery). Value of future upgrades are regarded as insignificant by the management and are not considered a separate performance obligation. Customers are granted a right to use the license and the revenue is recognized at a point in time. The price is the amount paid in the app store. The app store collects the payment on behalf of the Group.

The revenue related to the app purchases are recognized at a point in time.

**Sales to schools**

The Group sells license to schools as a subscription with multiple users. Customers receive a license key which expires according to the agreed subscription period.

According to DragonBox's terms and conditions, the subscription also includes changes and upgrades. In principle, the software should be ready when the school year starts. Any later changes and upgrades mainly relate to maintenance. The upgrades should not be regarded as a separate performance obligation as it relates to delivering the license in accordance with the customers' expectations. Therefore, the upgrades are inputs which together with the license fulfill a single promise to deliver. A one-year subscription is regarded as one performance obligation.

The license revenues are recognized at point in time. As DragonBox were acquired in September 2019, no revenue from these services have been recognized in the year end 2019.

**Drops - in app purchase**

This service is similar to the Kahoot! product. The Drops service is sold either through the website or through apps. The apps themselves are for free but is limited to 5-minute playtime per day and contains ads.

It is possible to sign up for different subscriptions through an in-app purchase (or purchase subscription on the webpage). The subscription is cloud-based.

Signing up for a subscription gives the customer unlimited language training and an ad-free experience for the length of the subscription. The difference between the subscription plans is the length of the subscription period, the underlying product is the same. The subscriptions are offered with monthly payment, yearly payment, and life-time payment. Life-time payment means a one-time payment for lifetime access. The subscriptions are mainly paid upfront by credit cards based on subscription periods.

The license is the only performance obligation. The design and the content might change during the subscription period and the customers expect that the products are updated with new words and languages. The Group delivers a subscription which gives the customer access to the services they have subscribed to. Revenue from the Drops subscription are recognized over time (over the subscription period).

**Actimo**

Actimo sells app's to employers so they can better communicate with their employees.

The customer grants access to the service and license is invoiced with a license fee. The license gives the customer access to a platform that enable the customers to train, communicate and support their employees.

The delivery includes onboarding services. The onboarding includes platform set up, app building, launching and training and is not regarded as a separate performance obligation.

The licenses delivered by Actimo are cloud-based and the service cannot be used without access to Actimo's platform. The subscription gives the customer access to the services they have subscribed to. Revenue from the Actimo subscription is recognized over time (over the subscription period).

One performance obligation is identified, the subscription. The transaction price is the agreed subscription fee plus onboarding fee, which is recognized over time according to the license period.

### Agent versus principal

The Actimo service is also sold through a third party (partner agreement). The Group has evaluated that it has the obligation towards end customer to provide the specified service itself. The Group is a principal. The revenues are recognized on a gross basis with any related expenses charged as costs.

## Critical judgements

For the revenue recognition related to the sale to schools, certain judgements were applied. This relates both to whether upgrades were considered a separate performance obligation and the assessment if the licenses were a right to access or right to use license. The discussions were related to the customer expectations and the nature of upgrades. The customer expects to have a product ready for use that includes the content for a whole year at the time the customer receives the license key. Further, the license was to be installed at the customer premises. Following this it was concluded that this was a right to use the license and recognized at a point in time. There were limited argumentation supporting a recognition according to right of access the license. Upgrades were not considered a separate performance obligation as they mainly related to bugfixes in order to deliver the agreed license.

## Significant estimates

Drops subscription is sold with different subscription period. One of the subscriptions is lifetime access for the customer, which is paid upfront. The Drops revenue is recognized over time.  Accordingly, the Group needs to assess the expected lifetime of an active user. It is evident that the user lose interest in the app after a period of time. The Group has assessed that using the history of the paid annual subscriptions adjusted for retention would be a good approximation of the period of which the transaction price should be allocated to. Currently this is two year. There is no significant financing element.

## Contract liabilities

Contract liabilities relate to advances from customers for licenses paid upfront.

## Description

### Disaggregating of revenue

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Subscription revenue - recognized over time | 27,746 | 7,930 | 1,775 |
| Sale to schools - recognized at point in time | 2,235 | - | - |
| Other revenue - recognized at point in time | 878 | 534 | 0 |
| Total revenue from contracts with customers | 30,859 | 8,464 | 1,775 |
| Other operating income | 175 | - | 166 |
| Total revenue and other operating income | 31,034 | 8,464 | 1,941 |

Other revenue includes one off sale of apps, such as Poio and DragonBox.

### Contract assets and liabilities

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Contract liabilities (deferred revenue) at 1 January | 6,072 | 1,626 | 156 |
| New contract liabilities | 27,899 | 6,072 | 1,626 |
| Revenue recognized in current year | (5,663) | (1,605) | (157) |
| Exchange differences | (409) | (21) | 1 |
| Contract liabilities (deferred revenue) at 31 December | 27,899 | 6,072 | 1,626 |

### Remaining performance obligations

The remaining performance obligation on unsatisfied contracts of a duration of more than one year, represents USD 700 thousand of a total of USD 2,000 thousand which will be recognized in 2022. There were no remaining performance obligation in 2019 and 2018. The amounts do not include variable considerations. As permitted by IFRS 15, unsatisfied contracts of a duration of one year or less are not required to be disclosed.

### Information about major customers

The Company does not have single customers that generate 10% or more of the entity's total revenue.

### Revenue by geography

In presenting the geographic information, revenue has been based on the geographic location of customers.

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| USA and Canada | 14,016 | 3,906 | 1,004 |
| Europe | 12,320 | 3,018 | 578 |
| Asia Pacific | 2,618 | 874 | 210 |
| Latin America and The Caribbean | 1,298 | 425 | 88 |
| Africa, The Middle East, and India | 780 | 241 | 60 |
| Total revenue and other operating income | 31,034 | 8,464 | 1,941 |

## Note 6 Employee benefit expense

### Accounting principles

#### Pension plans

The Group has a defined contribution plan for some of its employees. The Group's payments are recognized in the profit or loss as an employee benefit expenses for the year to which the contribution applies.

#### Specification of employee expenses

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Salaries and wages | 11,875 | 6,791 | 5,998 |
| Social security tax [1)] | 15,690 | 4,209 | 2,465 |
| Share based payments | 3,069 | 524 | 534 |
| Pension expenses | 304 | 118 | 108 |
| Other benefits | 686 | 500 | 489 |
| Total | 31,625 | 12,142 | 9,593 |
| | | | |
| [1)] Of which social security tax related to share based payments | 14,211 | 3,257 | 1,679 |
| | | | |
| Average full-time employees | 139 | 81 | 55 |

See note 17 for further description of share-based payments.

#### Pensions

The Group's Norwegian entities are obligated to follow the stipulations in the Norwegian Mandatory Occupational Pensions Act. The Group's pension scheme adheres to the requirements, as set in the Act.

The pension rights of the Group's employees vary between the legal entities. However, all plans are defined contribution plans. The defined contribution plans had 172 members in 2020, 89 in 2019 and 55 in 2018.

## Note 7 Other operating expenses

Other operating cost consists of the following:

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| IT and hosting services | 3,833 | 2,566 | 1,891 |
| Consulting services | 5,040 | 1,874 | 895 |
| Other operating expenses | 1,687 | 1,351 | 1,373 |
| Transaction costs | 540 | 347 | - |
| IPO listing preparation cost | 453 | - | - |
| Total other operating expenses | 11,553 | 6,138 | 4,158 |

Specification of auditors' fees:

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Statutory audit | 28 | 10 | 4 |
| Other assurance services | 42 | 26 | - |
| Tax advisory services | 4 | 1 | 4 |
| Total | 75 | 38 | 8 |

## Note 8 Financial items

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Interest income | 372 | 347 | 109 |
| Financial income | 372 | 347 | 109 |
| Interest expenses | 125 | 92 | 10 |
| Other financial expenses | 204 | 164 | 11 |
| Financial expenses | 329 | 255 | 21 |
| Net change in fair value of finanical instruments | 848 | - | - |
| Net foreign exchange gains (losses) | (17,510) | (224) | (70) |
| Net financial items | (16,619) | (133) | 18 |

# Note 9 Tax

## Accounting principles

Income tax expenses consist of taxes payable and changes to deferred tax. Tax is recognized in the profit or loss, except to the extent that it relates to items recognized in other comprehensive income/(loss) or directly in equity.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax

Deferred tax assets and liabilities are calculated on the basis of temporary differences between the carrying amount of assets and liabilities in the financial statement and their tax basis, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available, against which the assets can be utilized. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. The entities included in the consolidated financial statements are subject to income tax in the countries where they are domiciled.

## Descriptions

### Specification of income tax

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Income tax payable | (324) | - | - |
| Deferred tax income | (332) | (44) | - |
| Total income tax expense | (656) | (44) | - |

### Specification of deferred tax balances

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Intangible assets | 42 | 32 | 9 |
| Social security contribution on share-based payments | 3,982 | 1,061 | 362 |
| Other temporary differences | 25 | 12 | (5) |
| Tax losses carried forward | 12,816 | 5,725 | 3,472 |
| Total deferred tax assets relating to temporary differences and losses | 16,865 | 6,830 | 3,838 |
| Non-recognized deferred tax assets | (16,865) | (6,830) | (3,838) |
| Carrying value deferred tax assets | - | - | - |
| | | | |
| Intangible assets | (5,843) | (1,346) | - |
| Carrying value deferred tax liabilities | (5,843) | (1,346) | - |

### Changes in deferred tax liabilities

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Deferred tax liabilities as of 1 January | 1,346 | - | - |
| Recognized in the statement of profit/(loss) | (332) | (44) | - |
| Acquistions of subsidiaries | 4,674 | 1,342 | - |
| Translation differences | 156 | 48 | - |
| Deferred tax liabilities as of 31 December | 5,843 | 1,346 | - |

### Reconciliation of effective tax rate

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Net income/(loss) before tax | (35,136) | (12,519) | (13,023) |
| Expected income tax assessed at the tax rate for the Parent company 22 % (2018 - 23%) | (7,730) | (2,754) | (2,995) |
| Adjusted for the tax effect of the following items: | | | |
| Permanent differences | 787 | 115 | 123 |
| Change in unrecognized deferred tax asset adj for acquisitions | 6,521 | 2,326 | 2,202 |
| Change in valuation of acquired deferred tax benefit | (206) | 362 | - |
| Other | (28) | (92) | 671 |
| Income tax expense (income) | (656) | (44) | (0) |
| Effective tax rate | 1.9% | 0.4% | 0.0% |

The majority of tax losses carried forward relate to the companies in Norway and Denmark, due to this, there are no time-limit related to when the tax losses may be utilized.

# Note 10 Earnings Per Share (EPS)

## Accounting principles

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period.

The calculation of diluted earnings per share is consistent with the calculation of the basic earnings per share, but at the same time gives effect to all dilutive potential ordinary shares that were outstanding during the period, by adjusting the profit/loss and the weighted average number of shares outstanding for the effects of all dilutive potential shares, for example:

- The profit or loss for the period attributable to shares is adjusted for changes in profit or loss that would result from the conversion of the dilutive potential ordinary shares.
- The weighted average number of shares is increased by the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

### Description

The calculations of earnings per share attributable to the ordinary equity holders of Kahoot! AS are based on the following net profit/(loss) and share data:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Basic earnings per share (USD) | -0.09 | -0.03 | -0.04 |
| Diluted earnings per share (USD) | -0.09 | -0.03 | -0.04 |
| Profit/(loss) for the year | | | |
| used for calculating basic EPS (USD in thousands) | -34,481 | -12,475 | -13,023 |
| used for calculating diluted EPS (USD in thousands) | -34,481 | -12,475 | -13,023 |
| Weighted average number of shares used as the denominator in calculating basic EPS | 403,356,633 | 358,774,126 | 304,664,778 |
| Weighted average number of shares outstanding for diluted EPS * | 403,356,633 | 358,774,126 | 304,664,778 |

* The Company has 20 081 975 potential dilutive shares from share options outstanding, that can become dilutive in future periods.

## Note 11 Intangible assets

### Accounting principles

Intangible assets acquired separately that have a finite useful life are carried at cost less accumulated amortization and any impairment charges. Amortization is calculated on a straight-line basis over the assets' expected useful life and adjusted for any impairment charges.

#### Internally generated intangible assets

Expenditures on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, are recognized in profit or loss as incurred. Expenditures on development activities are capitalized, if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Capitalized development costs include costs directly attributable to development of the intangible, such as personnel expenses and consultancy services. Otherwise, such expenses are expensed as and when incurred.

Following the commercialization of Kahoot!'s learning platform in 2018, the Company has moved into a maintenance phase for the platform. Until the commercial launch all development was capitalized. After the commercial launch the cost are expensed as the main expenses incurred relate to improvements to the user interface of the Kahoot! platform on its website and mobile app and adjusting the platform based on technical issues which arise during use.

As per date of these financial statements the Group had no systems to identify maintenance cost vs development costs. It will not be possible to use hindsight to identify any development costs and development costs might have been expensed in 2018, 2019 and 2020 as the cost cannot be reliably measured. It will require judgement to identify projects that might qualify for capitalization and the timing of capitalization (when the requirements for capitalization are present).

The expensed cost related to research, development and maintenance of the technology amounted to USD 5,574 thousand in 2020 (USD 4,343 thousand in 2019 and USD 2,991 thousand in 2018).

| USD in thousands | Internally generated intangible assets | Technology | Brands | Other | Total |
|---|---|---|---|---|---|
| Cost | | | | | |
| Cost at 1 January 2018 | 4,708 | - | - | 285 | 4,993 |
| Additions | - | - | - | - | - |
| Exchange differences | (262) | - | - | (16) | (278) |
| Cost at 31 December 2018 | 4,446 | - | - | 269 | 4,715 |
| Additions | - | - | - | - | - |
| Acquisition of business (note 4) | - | 4,065 | 2,034 | - | 6,099 |
| Exchange differences | (46) | 151 | 73 | (3) | 175 |
| Cost at 31 December 2019 | 4,400 | 4,216 | 2,108 | 266 | 10,989 |
| Additions | - | - | - | - | - |
| Acquisition of business (note 4) | - | 25,010 | 1,399 | - | 26,410 |
| Exchange differences | 128 | 955 | 107 | 8 | 1,197 |
| Cost at 31 December 2020 | 4,528 | 30,181 | 3,613 | 274 | 38,596 |
| | | | | | |
| Amortization and impairment | | | | | |
| Accumulated at 1 January 2018 | - | - | - | 82 | 82 |
| Amortization for the year | 950 | - | - | 32 | 982 |
| Exchange differences | (61) | - | - | (7) | (67) |
| Accumulated at 31 December 2018 | 889 | - | - | 108 | 997 |
| Amortization for the year | 878 | 200 | - | 20 | 1,097 |
| Exchange differences | (7) | 1 | - | (1) | (8) |
| Accumulated at 31 December 2019 | 1,760 | 200 | - | 127 | 2,087 |
| Amortization for the year | 821 | 1,030 | 28 | 19 | 1,897 |
| Exchange differences | 136 | 100 | 2 | (0) | 238 |
| Accumulated at 31 December 2020 | 2,716 | 1,330 | 30 | 145 | 4,222 |
| | | | | | |
| Carrying amount at 31 December 2018 | 3,557 | - | - | 161 | 3,718 |
| Carrying amount at 31 December 2019 | 2,640 | 4,015 | 2,108 | 139 | 8,902 |
| Carrying amount at 31 December 2020 | 1,811 | 28,851 | 3,583 | 129 | 34,373 |
| | | | | | |
| Amortization method | Linear | Linear | Linear | Linear | |
| Estimated useful life | 5 years | 7 years | 5 years - Indefinite | 10 years | |

Brands from different acquisitions are assessed to have different useful lifetime. Brands relating to DragonBox (carrying amount of USD 1,723 thousand as of 31.12.2020) and Poio (carrying amount of USD 446 thousand as of 31.12.2020) are assumed to have indefinite useful life, whereas brands relating to acquisitions of Actimo (carrying amount of USD 329 thousand as of 31.12.2020) as and Drops (carrying amount of USD 1,085 thousand as of 31.12.2020) are assumed to have respectively five- and seven-years useful life. Brands with definite useful lifetime are amortized over useful life. The brands with definite lifetime have been amortized in 2020 with USD 16 thousand and USD 12 thousand respectively for Actimo and Drops. Brands with indefinite useful lifetime are tested annually for impairment.

Technology has been amortized in 2020 with USD 455 thousand for DragonBox (USD 162 thousand in 2019), Poio with USD 106 thousand (USD 38 thousand in 2019), Actimo with USD 276 thousand and Drops with USD 193 thousand.

# Note 12 Goodwill and impairment

## Accounting principles

### Goodwill

Goodwill does not generate cash flows independently of other assets or groups of assets, and is allocated to the cash-generating units expected to benefit from the synergies of the combination that gave rise to the goodwill. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. By the end of 2020, the goodwill relates entirely to the acquired companies in 2019 (DragonBox and Poio) and 2020 (Actimo and Drops). DragonBox and Poio have during 2020 been integrated into the Kahoot! platform and synergies are started to realize. Consequently, they are not separate cash generating units. Additional cash generating units will be Actimo and Drops as the goodwill are not integrated yet as the synergies is not realized. These cash generating unit needs to be reassessed later.

### Impairment of assets

Cash-generating units to which goodwill has been allocated, are tested for impairment annually or more frequently if there is any indication that the cash-generating unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets not yet brought into use are assessed for impairment annually. If it is not possible to estimate the recoverable amount of an individual asset, the group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit to which the asset belongs.

## Description

The Group has goodwill and intangible assets related to the acquisitions of DragonBox and Poio in 2019 and Actimo and Drops in 2020, see note 4. Goodwill in the acquisitions of DragonBox, Poio, Actimo and Drops are all allocated to Kahoot! Group level. The expected synergies from these acquisitions are expected to be realized at Kahoot! Group level through the integration of these products in the Kahoot! subscriptions. As soon as the acquired products are integrated, it is not possible to identify separate cash inflows as cash flow from the Kahoot! subscriptions are not identifiable.

| USD in thousands | 2019 | Acquisition | Exchange difference | 2020 |
|---|---|---|---|---|
| Kahoot! | 20,096 | 55,104 | 2,545 | 77,745 |
| Total goodwill | 20,096 | 55,104 | 2,545 | 77,745 |

### Impairment test 2020

Goodwill was tested for impairment at the end of 2020. No impairment losses were identified in 2020, as the determined recoverable amount was above the carrying value.

When testing goodwill, management used a 5-year discounted cash flow. The following key assumptions were used for the value-in-use calculations:

Kahoot!

- Revenue growth rate in the beginning of the period exceeds 100% and declines to below 50% in the period, and during the first 5 years in the terminal period declines further to 1.5%
- EBITDA margin improving to 40%, where it remains constant in the terminal period. The EBITDA improvement is based on the scalability in the software model driven by the revenue growth.
- WACC: 8.5%

## Sensitivity analysis

The Group has prepared a sensitivity analysis of the impairment tests to changes in the key assumptions which are terminal growth rate and discount rate. Any reasonably possible changes in the key assumptions would not cause the aggregate carrying amount exceeding the recoverable amount. A sensitivity analysis indicates that goodwill values would be justifiable even if the terminal growth rate were to fall below one percent. Impairment testing has indicated no existing impairment requirements for goodwill.

# Note 13 Property, plant and equipment

## Accounting principles

Property, plant and equipment are stated at historical cost, less accumulated depreciation and any impairment charges. Depreciation is calculated on a straight-line basis over the assets' expected useful life and adjusted for any impairment charges. Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in operating profit. Major assets with different expected useful lives are reported as separate components.

Property, plant and equipment are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount.

The difference between the asset's carrying amount and its recoverable amount is recognized in the profit or loss statement as an impairment loss. Property, plant and equipment that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

| USD in thousands | Equipment and fixtures |
|---|---|
| Cost at 1 January 2018 | 127 |
| Additions | 153 |
| Disposals | (28) |
| Exchange differences | (7) |
| Cost at 31 December 2018 | 245 |
| Additions | 230 |
| Acquisition of business (note 4) | 18 |
| Exchange differences | (3) |
| Cost at 31 December 2019 | 490 |
| Additions | 214 |
| Acquisition of business (note 4) | 45 |
| Exchange differences | (20) |
| Cost at 31 December 2020 | 729 |
| | |
| Depreciations and impairment | |
| Accumulated at 1 January 2018 | 71 |
| Depreciations for the year | 39 |
| Exchange differences | (6) |
| Accumulated at 31 December 2018 | 104 |
| Depreciations for the year | 73 |
| Exchange differences | (1) |
| Accumulated at 31 December 2019 | 177 |
| Depreciations for the year | 125 |
| Exchange differences | 18 |
| Accumulated at 31 December 2020 | 320 |
| | |
| Carrying amount at 31 December 2018 | 140 |
| Carrying amount at 31 December 2019 | 313 |
| Carrying amount at 31 December 2020 | 409 |
| | |
| Depreciation method | Linear |
| Estimated useful life | 3 to 5 years |

# Note 14 Leasing

## Accounting principles

The Group implemented IFRS 16 as of the date of transition to IFRS, 1 January 2018.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The lease agreements do not impose any covenants.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments. Currently the company has one long-term lease contract, which relates to the head-office.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate similar to the length of the lease adjusted for margin relevant for the company and the assets held by the Group.

The Group is exposed to potential future increases in variable lease payments based on an index, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The right-of-use assets are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

The head office lease agreements include termination option and extension options. The termination option includes a significant fee. It is the management intention to not early terminate the contract. Further, due to the significant growth, they will need more space going forward and no extension is expected.

## Description

Description
The Group's lease agreements include the head office and hosting agreements for specific servers. The head office lease was entered into in the end of 2018. Average incremental borrowing rate is 2.9%. Hosting agreements are defined as short-term leases and not recognized as part of the right-of-use assets and lease liabilities.

Hosting agreements for physical servers are short-term as the contracts is perpetual and can be cancelled within a few months by both parties. There are no cancellation fees involved.

### Amounts recognized in the balance sheet

| USD in thousands | 31.12.2020 | 31.12.2019 | 31.12.2018 |
|---|---|---|---|
| Buildings | 3,165 | 3,078 | 3,416 |
| Total right-of-use assets | 3,165 | 3,078 | 3,416 |
| | | | |
| Useful life | 2-7 years | 7 years | 7 years |
| Depreciation method | Straight-line | Straight-line | Straight-line |

### Lease liabilities

| USD in thousands | 31.12.2020 | 31.12.2019 | 31.12.2018 |
|---|---|---|---|
| Current | 964 | 601 | 551 |
| Non-Current | 2,312 | 2,561 | 2,915 |
| Total lease liability | 3,276 | 3,162 | 3,466 |

### Amounts recognized in the statement of profit or loss

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Depreciation of right of use asset | 559 | 495 | 45 |
| Interest expense | 78 | 91 | 9 |
| Expenses relating to short-term leases | 374 | 340 | 250 |
| Expenses relating to leases of low-value | 6 | 6 | - |

### Maturity profile lease liability

| USD in thousands | Less than 1 year | 1-3 years | 3-5 years | Over 5 years | Total contractual cash flows |
|---|---|---|---|---|---|
| Lease liabilities 31 December 2020 | 980 | 1,418 | 1,070 | - | 3,468 |
| Lease liabilities 31 December 2019 | 608 | 1,215 | 1,126 | 469 | 3,418 |
| Lease liabilities 31 December 2018 | 557 | 1,114 | 1,114 | 1,021 | 3,806 |

### Reconciliation of lease financing activities

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Opening balance 1 January | 3,162 | 3,466 | - |
| Cash flow | -615 | -552 | - |
| New leases | 605 | 194 | 3,458 |
| Other non-cash changes | 124 | 53 | 8 |
| Closing balance 31 December | 3,276 | 3,162 | 3,466 |

# Note 15 Trade receivables

## Accounting principles

Trade receivables are initially measured at fair value. Trade receivables are non-interest bearing and trading terms range from 0 to 60 days and therefore classified as current. The receivables are subsequently measured at amortized cost using the effective interest method, if the amortization effect is material, less loss allowance.

Due to the short-term nature of the trade receivables, their carrying amount is considered to be the same as the transaction price.

### Loss allowance and risk exposure

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on payments profiles and customer contracts in the previous years. The majority of the Group's revenue is invoiced annually in advance with immediate payment through automated sales.

Receivables are grouped into categories and the expected loss rates reflect the Group's ability on collecting once receivables are overdue. The Group is in an early stage of its commercial journey and prior to 2019 there was no history to prove an expected loss rate model. The losses in 2018 were recognized according to the receivables written off.

## Description

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Trade receivables | 2,713 | 1,379 | 378 |
| Loss allowance | (42) | (57) | - |
| Total trade receivables, net | 2,671 | 1,322 | 378 |

The basis for the loss allowance was determined as follows:

| USD in thousands | Current | More than 30 days past due | More than 60 days past due | More than 120 days past due | Total |
|---|---|---|---|---|---|
| Expected loss rate | 1.0 % | 2.0 % | 5.0 % | 50.0 % | |
| Gross carrying amount - trade receivables | 2,319 | 234 | 145 | 15 | 2,713 |
| Loss allowance - trade receivables | 23 | 5 | 7 | 8 | 42 |

Movements in the provision for expected credit losses:

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Balance at the beginning of the year | 57 | - | - |
| Provision for expected credit losses | 375 | 145 | 121 |
| Amounts written off during the year as uncollectable | (375) | (89) | (121) |
| Impairment losses reversed | (15) | - | - |
| Balance at the end of the period | 42 | 57 | - |

## Note 16 Cash and cash equivalents

### Accounting policies

Cash and cash equivalents include bank deposits. Cash and cash equivalents in foreign currencies are translated at closing rate. The cash flow statement is presented using the indirect method.

### Description

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Bank deposits | 256,120 | 40,851 | 27,843 |
| Total cash and cash equivalents | 256,120 | 40,851 | 27,843 |
| | | | |
| Restricted cash included in the above: | | | |
| Withholding tax in relation to employee benefits | 538 | 1,129 | 188 |
| Other | 470 | 450 | 8 |

## Note 17 Share-based payments

### Accounting policies

**Share-based payment**

Share-based compensation benefits are provided to employees.

Equity-settled, share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the grant date. The fair value is expensed over the vesting period as an employee benefit expense, with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest, based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The fair value at the grant date is determined using the Black-Scholes-Merton option pricing model, which takes into account the exercise price, the life of the option, the current price of the underlying shares, the expected volatility of the share price, any dividends expected on the shares and risk-free interest rate for the life of the option. The expected share price volatility is based on historical volatility for a selection of comparable listed companies adjusted with a premium taking into account the maturity of the peers compared to the Group. The risk-free interest rate is based on zero-coupon government bonds with a term equal to the expected term of the option being valued.

Social security contributions payable in connection with an option grant are considered an integral part of the grant itself. The charges are treated as cash-settled, share-based payments and re-measured at each reporting date.

When the options are exercised, the appropriate number of shares are transferred to the employee. The proceeds received from the exercise of the options (net of any directly attributable transaction costs) are credited directly to equity.

### Components of share-based payments in profit or loss:

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Share options - equity settled (note 6) | 3,069 | 524 | 534 |
| Social security tax share options - cash settled (note 6) | 14,210 | 3,257 | 1,679 |
| Total | 17,280 | 3,780 | 2,213 |

### Share-based payments

The Company has had a long-term share incentive scheme for employees in the Company and its subsidiaries since 2015. Selected employees are, on an individual basis, granted rights to acquire shares (options). Each option gives the holder the right to, but not the obligation, to subscribe to or purchase (at the Company's choice) one ordinary share in the Company at a strike price defined in the individual share option agreement.

The exercise prices are set by the Company.

The share options vest over a four-year period, provided the employee is still employed by the Group.

### Parameters connected to share options granted

| Granted instruments | 2020 | 2019 | 2018 |
|---|---|---|---|
| Quantity 31.12 (instruments) | 7,630,500 | 1,836,000 | 2,163,000 |
| Quantity 31.12 (shares) | 7,630,500 | 1,836,000 | 2,163,000 |
| Contractual life* | 4.63 | 4.62 | 4.55 |
| Exercise price (NOK)* | 47.59 | 8.21 | 2.21 |
| Share price (NOK)* | 42.99 | 8.66 | 3.65 |
| Expected lifetime* | 2.76 | 3.12 | 3.12 |
| Volatility* | 47% | 45% | 45% |
| Interest rate* | 0.20% | 1.22% | 1.09% |
| Dividend* | - | - | - |
| FV per instrument* | 14.48 | 3.12 | 1.97 |
| Vesting conditions | Service | Service | Service |

*Weighted average parameters at grant of instrument

### Outstanding instruments

| | | 31 December 2020 | | 31 December 2019 | | 31 December 2018 | |
|---|---|---|---|---|---|---|---|
| Grant | Exercise price (NOK) | Number of instruments outstanding 1) | Remaining contractual life 2) | Number of instruments outstanding 1) | Remaining contractual life 2) | Number of instruments outstanding 1) | Remaining contractual life 2) |
| 2015 program | 0.58 | - | - | 60,000 | 1.00 | 60,000 | 2.00 |
| 2016 program | 1.00 | - | - | 30,000 | 1.00 | 30,000 | 2.00 |
| 2017 program | 1.67 | 10,471,725 | 1.75 | 15,931,125 | 2.75 | 21,211,125 | 3.75 |
| 2018 program | 3.33 | 233,000 | 2.75 | 255,000 | 3.75 | 255,000 | 4.75 |
| 2018 program | 6.67 | 1,029,250 | 2.87 | 750,000 | 3.87 | 135,000 | 4.75 |
| 2018 program | 6.67 | - | - | 471,000 | 3.77 | 15,000 | 4.75 |
| 2019 program | 8.33 | 522,500 | 3.67 | 555,000 | 4.67 | | |
| 2019 program | 10.00 | 82,500 | 3.92 | 60,000 | 4.86 | | |
| 2019 program | 13.33 | 15,000 | 3.92 | 30,000 | 4.92 | | |
| 2019 Program | 16.00 | 1,022,250 | 3.25 | | | | |
| 2019 Program | 16.67 | 150,000 | 3.92 | 150,000 | 4.92 | | |
| 2020 Program | 20.00 | 1,284,750 | 3.37 | | | | |
| 2020 Program | 28.00 | 300,000 | 4.43 | | | | |
| 2020 Program | 31.00 | 82,499 | 4.51 | | | | |
| 2020 Program | 36.00 | 50,416 | 4.69 | | | | |
| 2020 Program | 37.00 | 1,509,744 | 4.76 | | | | |
| 2020 Program | 50.00 | 208,998 | 4.87 | | | | |
| 2020 Program | 56.00 | 2,414,083 | 4.92 | | | | |
| 2020 Program | 3) | 705,260 | | | | | |
| Total | | 20,081,975 | | 18,292,125 | | 21,706,125 | |

1. The share option numbers and exercise price are reflecting the 1:20 share split in July 2018, and 1:3 share split in June 2020, as further described in note 18 and 26.
2. Weighted average remaining contractual life of options outstanding at end of period.
3. Exercise price is determined on basis of price quoted for trades in the Company's shares prior to the date of the Company's annual general meeting in 2021.

### Quantity and weighted average prices

| Activity | 2020 Number of instruments 1) | 2020 Weighted average exercise price (NOK) | 2019 Number of instruments 1) | 2019 Weighted average exercise price (NOK) | 2018 Number of instruments 1) | 2018 Weighted average exercise price (NOK) |
|---|---|---|---|---|---|---|
| As of 1 January | 18,292,125 | 2.38 | 21,706,125 | 1.72 | 19,543,125 | 1.66 |
| Granted during the year | 7,630,500 | 47.51 | 1,866,000 | 8.21 | 2,163,000 | 2.21 |
| Exercised during the year [2)] | (5,539,347) | 1.82 | (5,190,000) | 1.67 | - | 0.00 |
| Forfeited during the year | (301,303) | 3.93 | (90,000) | 1.67 | - | 0.00 |
| Outstanding at 31 December | 20,081,975 | 19.68 | 18,292,125 | 2.38 | 21,706,125 | 1.72 |
| Vested per 31 December | 9,190,141 | | 8,961,721 | | 8,470,249 | |

[1] The share option numbers and exercise price are reflecting the 1:20 share split in July 2018, and 1:3 share split in June 2020, as further described in note 18 and 26.

[2] The instruments were exercised at a share price of NOK 35.50 and NOK 46.00 in 2020 and NOK 12.67 in 2019.

# Note 18 Equity

## Share capital and share premium

Kahoot! AS only has one class of shares and all shares have the same voting rights. The shareholders are entitled to receive dividends as and when declared and are entitled to one vote per share at General Meetings of the Company.

| | Number of shares | Share capital (NOK) | Share capital (USD) |
|---|---|---|---|
| Balance at 1 January 2018 | 4,265,110 | 426,511 | 51,982 |
| Issued during the year | 111,652,090 | 11,165,209 | 1,361,971 |
| Currency effects from translation of equity | | | (79,808) |
| Balance at 31 December 2018 | 115,917,200 | 11,591,720 | 1,334,145 |
| Issued during the year | 13,442,296 | 1,344,230 | 147,944 |
| Currency effects from translation of equity | | | (8,796) |
| Balance at 31 December 2019 | 129,359,496 | 12,935,950 | 1,473,293 |
| Issued during the year | 316,732,471 | 31,673,247 | 3,420,652 |
| Currency effects from translation of equity | | | 334,145 |
| Balance at 31 December 2020 | 446,091,967 | 44,609,197 | 5,228,090 |

The share capital is fully paid and has a par value of NOK 0.10.

At the Extraordinary General Meeting of Kahoot! AS on 14 January 2021, the Board of Directors were authorized to increase the share capital in connection with mergers, acquisitions, equity raises and exercise of options.

Information relating to the Group's Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of each reporting period, is set out in note 17.

The table below shows the development in the Company's share capital for the period covered by the historical financial information and up to the date of this Annual Report:

| Date of registration | Type of change | Change in share capital (NOK) | New share capital (NOK) | Nominal value (NOK) | Number of total issued shares | Subscription price per share (NOK) |
|---|---|---|---|---|---|---|
| 26 Mar 18 | Share capital increase | 1,400 | 427,911 | 0.1 | 4,279,110 | 35/60[1] |
| 9 Apr 18 | Share capital increase | 100,000 | 527,911 | 0.1 | 5,279,110 | 35/100/150[2] |
| 16 Jul 18 | Share capital increase and share split | 10,030,309 | 10,558,220 | 0.1 | 105,582,200 | N/A[3] |
| 1 Nov 18 | Share capital increase | 550,000 | 11,108,220 | 0.1 | 111,082,200 | 23 |
| 7 Jan 19 | Share capital increase | 450,000 | 11,558,220 | 0.1 | 115,582,200 | 5 |
| 7 Mar 19 | Share capital increase | 33,500 | 11,591,720 | 0.1 | 115,917,200 | 1.75/5[4] |
| 23 May 19 | Share capital increase | 42,000 | 11,633,720 | 0.1 | 116,337,200 | 5[5] |
| 3 Sep 19 | Share capital increase | 138,366 | 11,772,086 | 0.1 | 117,720,860 | 25 |
| 12 Sep 19 | Share capital increase | 386,864 | 12,158,950 | 0.1 | 121,589,496 | 25 |
| 13 Nov 19 | Share capital increase | 777,000 | 12,935,950 | 0.1 | 129,359,496 | 38/5/3/1.75[6] |
| 8 Jun 20 | Share capital increase and share split | 25,871,899 | 38,807,849 | 0.1 | 388,078,488 | N/A[7] |
| 16 Jun 20 | Share capital increase | 1,141,178 | 39,949,026 | 0.1 | 399,490,263 | 35.5/6.667/ 3.3333, 1.6667/1[8] |
| 6 Oct 20 | Share capital increase | 111,496 | 40,060,523 | 0.1 | 400,605,226 | 46.82 |
| 13 Oct 20 | Share capital increase | 4,462,757 | 44,523,280 | 0.1 | 445,232,798 | 46/8.3333/6.6667/1.66 67/0.58 |
| 4 Dec 20 | Share capital increase | 85,917 | 44,609,197 | 0.1 | 446,091,967 | 62.63 |

1. Exercise of options for employees (12,500 shares were subscribed for at a subscription price of NOK 35, whereas 1,500 shares were subscribed for at a subscription price of NOK 60).
2. Private placement directed towards selected investors (865,000 shares were subscribed for at a subscription price of NOK 150) and exercise of options for employees (60,000 shares were subscribed for at a subscription price of NOK 35, whereas 75,000 shares were subscribed for at a subscription price of NOK 100).
3. Transfer from other equity to share capital. Share split 1:20 creating 100,303,090 new shares.
4. Exercise of options for employees (100,000 shares were subscribed for at a subscription price of NOK 1.75, whereas 235,000 shares were subscribed for at a subscription price of NOK 5).

5. Exercise of options for employees (420,000 shares were subscribed for at a subscription price of NOK 5).
6. Private placement directed towards selected investors (6,000,000 shares were subscribed for at a subscription price of NOK 38) and exercise of options for employees (whereas 1,730,000 shares were subscribed for at a subscription price of NOK 5, whereas 20,000 shares were subscribed for at a subscription price of NOK 3 and 20,000 shares were subscribed for at a subscription price of NOK 1.75).
7. Transfer from other equity to share capital. Share split 1:3 creating 258,718,992 new shares.
8. Private placement directed towards selected investors (7,500,000 shares were subscribed for at a subscription price of NOK 35.5) and exercise of options for employees (46,875 shares were subscribed for at a subscription price of NOK 6.6667, 15,000 shares were subscribed for at a subscription price of NOK 3.3333, 3,819,900 shares were subscribed for at a subscription price of NOK 1.6667 and 30,000 shares were subscribed for at a subscription price of NOK 1).

### Share-based payments reserves

The share-based payments reserve represents the offsetting amount to employee expense. The reserve is fully distributable.

### Foreign currency translation reserves

Exchange differences arising on the translation of the foreign entities are recognized in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

## Note 19 Trade and other payables

### Accounting principles

Financial liabilities regularly give rise to a redemption obligation in cash or another financial asset. These include, among others, trade payables.

Upon initial recognition, financial liabilities are measured at fair value. The transaction costs directly attributable to the acquisition are also recognized for all financial liabilities that are not subsequently measured at fair value through profit or loss. Trade payables and other non-derivative financial liabilities are generally measured at amortized cost using the effective interest method. A financial liability is derecognized when the obligation underlying the liability is discharged, canceled or expired.

### Determination of fair value of financial instruments

The fair value of financial instruments is based on quoted prices as at the balance sheet date in an active market, if such markets exist. If an active market does not exist, fair value is established by using valuation techniques that are expected to provide a reliable estimate of the fair value. Financial instruments measured at fair value are classified according to the valuation method:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Valuation based on inputs for the asset or liability that are unobservable market data. If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Changes in fair value are presented in profit or loss in the line-item Financial expenses.

### Critical accounting estimates

Measurement of the contingent liabilities relating to the acquisitions in 2020 required the use of critical judgements and significant estimates when valuing the liability. The nominal value of contingent liabilities is determined by certain criteria and thresholds achieved after the close of the acquisitions. The earn-out relating to Actimo is determined based on the Annual Recurring Revenue (ARR) as of 31 March 2021. The earn-out relating to Drops is determined based on invoiced revenue targets in 2020, 2021 and 2022 subject to a net cash flow conversion condition. Given the contingent liability will be determined and settled in the future, the nominal value is discounted to present value. The discount rate is estimated using the risk-free rate in which the acquired companies operate, market premium, asset beta, small stock and country risk premium. It is assumed that equity financing is the optimal capital structure as of reporting date.

#### Description

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Trade payables | 1,817 | 940 | 175 |
| Other current liabilities | 35,111 | 7,616 | 2,378 |
| Total current trade and other payables | 36,928 | 8,556 | 2,553 |
| Other non-current payables | 15,447 | - | - |
| Total trade and other payables | 52,375 | 8,556 | 2,553 |

Contingent liability (earn-out) relating to the two acquisitions in 2020 is USD 27,344 thousand, of which USD 15,182 thousand is non-current. Contingent liability is presented within other non-current payables and other current payables. The contingent liability is measured at fair value through profit and loss. Net change in fair value for the period is USD 848 thousand and presented in the consolidated statement of profit or loss as net change in fair value of financial instruments. The earnout is measured according to level 3 in the hierarchy.

The main level 3 inputs used in assessing the fair value of the earnout is forecast of probability of cash outflow and discount rate. The discount rates applied for Actimo and Drops are respectively 12.9% and 12.4%.

## Note 20 Financial risk management

The most significant financial risks which affect the Group are credit risk, liquidity risk and market risk related to foreign exchange rate risk, described further below. Management performs continuous evaluations of these risks and related processes established to manage them within the Group.

| Risk | Exposure arising from | Measurement |
|---|---|---|
| Market risk - foreign exchange | Future commercial transactions. Recognized financial assets and liabilities not denominated in the functional currency. | Cash flow forecasting. Sensitivity analysis. |
| Credit risk | Cash and cash equivalents, and trade receivables | Aging analysis. Credit ratings. |
| Liquidity risk | Current liability | Rolling cash flow forecasts |

## Financial instruments

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Financial instruments measured at amortised cost: | | | |
| Trade receivables | 2,671 | 1,322 | 378 |
| Cash and cash equivalents | 256,120 | 40,851 | 27,843 |
| Other current assets | 3,316 | 599 | 614 |
| Trade payable | -1,817 | -940 | -175 |
| Other non-current liabilities | -265 | - | - |
| Other current liabilities | -22,949 | -7,616 | -2,378 |
| Net financial instruments measured at amortised costs | 237,077 | 34,217 | 26,282 |
| Financial instruments measured at fair value through profit or loss: | | | |
| Other non-current liabilities (see note 19) | -15,182 | - | - |
| Other current liabilities (see note 19) | -12,162 | - | - |
| Net financial instruments measured at fair value through profit or loss | -27,344 | - | - |
| Total net financial instruments | 209,733 | 34,217 | 26,282 |

All financial instruments measured at fair value through profit or loss is categorized within level 3 valuation method. Non-financial assets and liabilities are excluded from the table.

# Market Risk

## Market Risk - Foreign exchange

The Group presents its financial statements in USD. The Group operates in Denmark, Estonia, Finland, France, Norway, Spain, United Kingdom and the United States and have costs in local currencies while a major part of the Group's revenues are in USD. With different functional currencies, the Group will be exposed to currency gains and losses on debt and receivables between the companies, which will affect its reported profit or loss. Fluctuations in exchange rates between NOK, USD, DKK, EUR and GBP could materially and adversely affect the Group's business, results of operations, financial condition, cash flow and prospects. The Group does currently not have any currency hedging arrangements in place to limit the exposure to exchange rate fluctuations.

The aggregate net foreign exchange gains/losses recognized in profit or loss were:

| USD in thousands | 2020 | 2019 | 2018 |
|---|---|---|---|
| Exchange gains | 3,515 | 325 | 308 |
| Exchange loss | -21,025 | -549 | -379 |
| Total net foreign exchange (losses) recognised in profit before income tax for the period | -17,510 | -224 | -70 |

The net foreign exchange loss in 2020 was caused by exchange rate differences on foreign currency held in the parent company. The majority of the Group's liquidity is held in USD as this is the expected acquisition currency. The net foreign exchange losses presented in statement of profit or loss are largely reversed through exchange differences on translation to another presentation currency in other comprehensive income, such that total comprehensive income is not affected.

## Sensitivity

If the following currencies had strengthened/weakened against the functional currency, it would have had the below effect on the Group's loss:

| | | Impact profit before tax USD in thousands | | |
|---|---|---|---|---|
| Currency | Change in rate | 2020 | 2019 | 2018 |
| GBP | +/- 7% | 31 | 2 | 489 |
| USD | +/- 7% | 10,994 | 39 | 170 |
| EUR | +/- 7% | 74 | 61 | - |

## Credit risk

The Group's credit risk arises from cash and cash equivalents as well as outstanding receivables. The Group does not have a specific procedure for assessing credit risks for its customers before transactions are entered. The Group does not have significant credit risk associated by a single counterparty. Most of the customers are invoiced through automated sales with immediate credit card payments. Manual sales to schools and enterprises with 30 days payment terms is considered low credit risk.

Cash and cash equivalents: The counterparts for the Groups cash deposits are large banks which are considered to be solid. The group assesses that there are no material credit risks associated with these deposits.

### Liquidity risk

The Group monitors liquidity centrally across the group. It is the Group's strategy to have sufficient cash and cash equivalents to at any time fund operations and investments according to the company's strategic plans. The Group monitors its liquidity risk through a short-term and a long-term liquidity forecast to manage the target of a minimum position of cash imposed by the Board of Directors. The Group's financial liabilities are mainly trade payables and other current liabilities.

## Capital management

The Group's objectives for capital management are to ensure that it maintains sufficient free liquidity with regards to cash and cash equivalents in order to support its business and obligations as well as having sufficient flexibility to invest in attractive investment opportunities. The Group manages its capital structure in light of changes in economic and actual conditions, and the development in the groups underlying business. The Group's equity ratio exceeded 76% per 31.12.2020. The Group does not have any interest-bearing loans or capital requirements defined by third parties.

# Note 21 Related parties

Balances and transactions between the Company and its subsidiaries, which are related parties to the Company, have been eliminated on consolidation, and are not disclosed in this note.

### Profit or loss items

USD in thousands

| Related party | Relationship | Type of services | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Glitrafjord AS | Owned by the CEO | Admin. and consulting services | 285 | 114 | 69 |
| Hermia AS | Owned by Chairman | Consulting services | 27 | - | - |
| Total related party profit or loss items | | | 312 | 114 | 69 |

The amounts in the table above are presented within other operating costs.

The Group did not have any related party transactions that are recognized in the balance sheet at the end of each year presented herein.

### Key management remuneration

| | 2020 | | 2019 | | | 2018 | |
|---|---|---|---|---|---|---|---|
| USD in thousands | CEO | Other key mgmt. | CEO from 01.12.19 | CEO until 30.11.19 | Other key mgmt. | CEO | Other key mgmt. |
| Short-term employee benefits | 187 | 664 | 11 | 139 | 405 | 153 | 421 |
| Post-employment benefits | 3 | 11 | - | 2 | 7 | 3 | 8 |
| Termination benefits | - | - | - | - | - | 144 | - |
| Other benefits | 1 | 12 | - | 1 | 11 | 62 | 79 |
| Share based payments | 0 | 4,839 | - | 6 | 36 | 21 | 52 |
| Total key management comp. | 190 | 5,525 | 12 | 149 | 459 | 383 | 561 |

The CEO has 6 months' notice period and 6 months' severance pay.

In 2019, the former CEO received USD 700 thousand from the exercise of vested employee options. In 2018, the former CEO received USD 1,300 thousand from the exercise of vested employee options.

No board remuneration was paid in 2020, 2019 or 2018.

### Number of shares held by the key management and the Board of Directors

| | 2020 Shares | 2019 Shares | 2018 Shares |
|---|---|---|---|
| Eilert Hanoa (Chairman until Nov 2019, then CEO) [1] | 39,208,910 | 34,172,220 | 30,929,160 |
| Åsmund Furuseth (CEO until Nov 2019) [2] | 7,606,000 | 9,156,000 | 9,156,000 |
| Morten Versvik (CTO) [3] | 12,962,076 | 13,862,076 | 15,071,241 |
| Lars Erik Grønntun [9] | 1,119,960 | | |
| Ken Østreng | 45,000 | | |
| Mads Rebsdorf [4] | 100,000 | | |
| | | | |
| Harald Arnet (Chairman of the Board) [5] | 52,130,865 | 52,130,865 | 47,657,610 |
| Carl Jöran Fredrik Cassel (Member of the Board) [6] | 20,000,000 | 33,133,260 | 33,133,260 |
| Mikael David Kotting (Member of the Board) [7] | 12,000,000 | 46,733,280 | 46,733,280 |
| Sindre Svendsen Østgård (Member of the Board) [8] | 20,000 | 60,000 | 60,000 |
| Stefan Blom (Member of the board) | 50,000 | | |

The share numbers are reflecting the 1:20 share split in July 2018, and 1:3 share split in June 2020, as further described in note 18 and 26.

1. Hanoa holds shares through Glitrafjord AS, which is controlled by Hanoa.
2. Furuseth holds shares through Newbrott AS, which is controlled by Furuseth.
3. Versvik holds shares through Versvik Invest AS, which is controlled by Versvik
4. Rebsdorf holds shares through MREB Invest AS, which is controlled by Rebsdorf.
5. Arnet is a representative of Datum Group
6. Cassel is a representative of Creandum.
7. Kotting is a representative of Northzone.
8. Østgård holds shares through Konsern AS, which is controlled by Østgård.
9. Grønntun holds shares through Eikum AS, which is controlled by Grønntun.

Stefan Blom, member of the board, holds 300,000 options.

### Share options management

For a description of the share-option program, see note 17.

The share option numbers and exercise price are reflecting the 1:20 share split in July 2018, and 1:3 share split in June 2020.

| Share options 2020 | Granted | Vested | Exercised | Total outstanding | Whereof exercise price not decided | Weighted average exercise price** | Remaining contractual life *) |
|---|---|---|---|---|---|---|---|
| Eilert Hanoa (CEO) | 600,000 | 37,500 | - | 750,000 | 150,000 | 19.2 | 3.48 |
| Morten Versvik (CTO) | 100,000 | 118,750 | -750,000 | 250,000 | 0 | 23.4 | 3.02 |
| Åsmund Furuseth (CPO) | 100,000 | 75,000 | -500,000 | 200,000 | 0 | 28.8 | 3.34 |
| Lars Erik Grønntun (CMO-COO) | 750,000 | - | - | 750,000 | 93,750 | 20.0 | 3.37 |
| Ken Østreng (CFO) | 600,000 | - | - | 600,000 | 75,000 | 16.0 | 3.25 |
| Mads Rebsdorf (CRO) | 400,000 | - | - | 400,000 | 100,000 | 37.0 | 4.75 |

| Share options 2019 | Granted | Vested | Exercised | Outstanding | Weighted average exercise price | Remaining contractual life *) |
|---|---|---|---|---|---|---|
| Eilert Hanoa (CEO from 1.12.2019) | 150,000 | - | - | 150,000 | 16.67 | 4.92 |
| Martin Kværnstuen (CFO) | - | 493,750 | (600,000) | 900,000 | 1.67 | 2.75 |
| Morten Versvik (CTO) | - | 493,750 | (600,000) | 900,000 | 1.67 | 2.75 |
| Åsmund Furuseth (CEO-CPO) | - | 275,000 | (600,000) | 600,000 | 1.67 | 2.75 |

| Share options 2018 | Granted | Vested | Exercised | Outstanding | Weighted average exercise price | Remaining contractual life *) |
|---|---|---|---|---|---|---|
| Martin Kværnstuen (CFO) | - | 718,750 | - | 1,500,000 | 1.67 | 3.75 |
| Morten Versvik (CTO) | - | 718,750 | - | 1,500,000 | 1.67 | 3.75 |
| Åsmund Furuseth (CEO) | - | 575,000 | - | 1,200,000 | 1.67 | 3.75 |

* Weighted average remaining contractual life of options outstanding at end of period.

** For outstanding share options where the share option exercise price is determined. Exercise price for remaining share options will be based on 20 days Weighted average exercise price (VWAP) prior to the date of the Company's annual general meeting in 2021.

## Note 22 Investments in subsidiaries

| Company | Year of acquisition/ incorporation | Registered office | Voting share | Ownership share |
|---|---|---|---|---|
| Kahoot! EDU Ltd. | 2014 | United Kingdom | 100% | 100% |
| Kahoot! EDU Inc. | 2015 | United States | 100% | 100% |
| Poio AS | 2019 | Norway | 100% | 100% |
| Kahoot DragonBox AS | 2019 | Norway | 100% | 100% |
| Dragonbox Finland Oy | 2019 | Finland | 100% | 100% |
| We Want to Know S.a.r.l | 2019 | France | 100% | 100% |
| Actimo ApS | 2020 | Denmark | 100% | 100% |
| Actimo Communications SL | 2020 | Spain | 100% | 100% |
| PlanB Labs Oü | 2020 | Estonia | 100% | 100% |
| Kahoot! International AS | 2020 | Norway | 100% | 100% |

## Note 23 Shareholder information

### Ownership structure

All shares have equal voting rights.

#### Largest shareholders as of 31 December 2020

Largest shareholders as of 31 December 2020:

| Shareholders | Number of shares | % of shares |
|---|---|---|
| Goldman Sachs International (SoftBank) | 60,009,001 | 13.5 % |
| Datum Group | 52,130,865 | 11.7 % |
| Glitrafjord (CEO) | 39,208,910 | 8.8 % |
| The Bank Of New York Mellon | 20,820,000 | 4.7 % |
| Creandum Iii Lp | 20,000,000 | 4.5 % |
| Citigroup Global Markets Inc. | 13,500,000 | 3.0 % |
| Versvik Invest As (CTO) | 12,962,076 | 2.9 % |
| Northzone Ventures Norway As [1] | 12,000,000 | 2.7 % |
| Newbrott AS (CPO) | 7,606,000 | 1.7 % |
| State Street Bank And Trust Comp | 7,009,988 | 1.6 % |
| Goldman Sachs & Co. Llc | 5,870,121 | 1.3 % |
| Mp Pensjon Pk | 5,719,634 | 1.3 % |
| Morgan Stanley & Co. Llc | 5,488,632 | 1.2 % |
| Gamification As | 5,297,777 | 1.2 % |
| Sanden As | 4,340,000 | 1.0 % |
| Verdipapirfondet DNB Norden | 4,043,446 | 0.9 % |
| J.P. Morgan Bank Luxembourg S.A. | 3,646,241 | 0.8 % |
| J.P. Morgan Bank Luxembourg S.A | 3,355,768 | 0.8 % |
| Adrian As | 3,156,750 | 0.7 % |
| Verdipapirfondet DnB Grønt Norden | 3,083,035 | 0.7 % |
| Total Remaining Shareholders | 156,843,723 | 35.2 % |
| Total number of shares | 446,091,967 | 100% |

[1] On 18 January 2021, Northzone Ventures Norway AS sold 12 million shares. 11 million shares were acquired by a fund managed by SB Management Limited, a 100% directly owned subsidiary of SoftBank Group Corp and 1 million shares were acquired by Glitrafjord, a company wholly owned by CEO Eilert Hanoa through AS Real-Forvaltning AS.

### Largest shareholders as of 31 December 2019

| Shareholders | Number of shares | % of shares | Post share split |
|---|---|---|---|
| Datum Group | 17,376,955 | 13.4 % | 52,130,865 |
| Northzone Ventures Norway AS | 15,577,760 | 12.0 % | 46,733,280 |
| Creandum III LP | 11,044,420 | 8.5 % | 33,133,260 |
| AS Real-Forvaltning | 9,390,740 | 7.3 % | 28,172,220 |
| Microsoft Global Finance | 6,940,000 | 5.4 % | 20,820,000 |
| KAM Holding AS | 4,779,020 | 3.7 % | 14,337,060 |
| Versvik Invest AS | 4,620,692 | 3.6 % | 13,862,076 |
| Citigroup Global Markets Inc. | 4,500,000 | 3.5 % | 13,500,000 |
| Newbrott AS | 3,052,000 | 2.4 % | 9,156,000 |
| Verdipapirfondet Norge Selektiv | 2,886,382 | 2.2 % | 8,659,146 |
| Norda ASA | 2,686,386 | 2.1 % | 8,059,158 |
| MP Pensjon PK | 2,337,332 | 1.8 % | 7,011,996 |
| Verdipapirfondet DnB Norge | 2,251,282 | 1.7 % | 6,753,846 |
| Glitrafjord AS | 2,000,000 | 1.5 % | 6,000,000 |
| Gamification AS | 1,866,600 | 1.4 % | 5,599,800 |
| Sanden AS | 1,424,000 | 1.1 % | 4,272,000 |
| Ekholdt Huynh AS | 1,333,140 | 1.0 % | 3,999,420 |
| Verdipapirfondet DnB Norden | 1,305,183 | 1.0 % | 3,915,549 |
| Skøien AS | 1,125,000 | 0.9 % | 3,375,000 |
| Patrick Marchal AS | 1,103,480 | 0.9 % | 3,310,440 |
| Total remaining shareholders | 31,759,124 | 24.6 % | 95,277,372 |
| Total number of shares | 129,359,496 | 100% | 388,078,488 |

### Largest shareholders as of 31 December 2018

| Shareholders | Number of shares | % of shares | Post share split |
|---|---|---|---|
| Northzone VII LP | 15,577,760 | 13.4 % | 46,733,280 |
| Datum AS | 11,395,870 | 9.8 % | 34,187,610 |
| Creandum III LP | 11,044,420 | 9.5 % | 33,133,260 |
| AS Real-Forvaltning | 8,309,720 | 7.2 % | 24,929,160 |
| Microsoft Global Finance | 6,940,000 | 6.0 % | 20,820,000 |
| Versvik Invest AS | 5,023,747 | 4.3 % | 15,071,241 |
| KAM Holding AS | 4,779,020 | 4.1 % | 14,337,060 |
| Citigroup Global Markets Inc. | 4,670,000 | 4.0 % | 14,010,000 |
| Total remaining shareholders | 48,176,663 | 41.6 % | 144,529,989 |
| Total number of shares | 115,917,200 | 100% | 347,751,600 |

## Note 24 Contingencies and legal claims

### Accounting principles

Contingent liabilities are not recognized in the financial statements. Material contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

### Description

Neither the Company nor any other company in the Group is involved in or has received notice that it may be involved in any legal proceeding of such importance that they may be of significance for the Company.

Notwithstanding the foregoing, as a result of the nature of its business, the Company and other companies within the Group may from time to time be party to various legal claims and proceedings that arise in the ordinary course of business. Similar to most technology companies with international presence, the Company's international operations expose the Group to differences in foreign trademark, trade dress, copyright, patent and other laws concerning proprietary rights and degree of protection, and may from time to time be subjected to claims and allegation for infringement of third party intellectual property rights in the jurisdictions in which it operates.

As at 9 February 2021, the Group is involved in two disputes relating to alleged infringement of intellectual property rights. (i) TimePlay, Inc, a Canadian-based company, has alleged that certain parts of Kahoot!'s system infringe on certain of TimePlay, Inc's patents. The Company has rejected the allegations and argued that TimePlay, Inc's patent claim can be challenged both on grounds of invalidation and non-infringement. (ii) A former consultant to DragonBox has claimed that DragonBox has utilised the consultant's contribution to the Dragonbox' product "Les Noums CP" in order to improve other DragonBox products which were not intended for the French market. The consultant passed away in November 2020, and any claims against DragonBox will have to be pursued by the former consultant's estate and heirs.

# Note 25 Implementation of IFRS

## Accounting principles

These financial statements, for the year ended 31 December 2020, are the first the Group has prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU). The implementation of IFRS follows the Group's intention to list on Oslo Stock Exchange. These financial statements will be published at the Group's website and in the prospectus. For the year ended 31 December 2019, the Group prepared its financial statements in accordance with Norwegian Generally Accepted Accounting Principles (NGAAP).

The Group has prepared consolidated financial statements that comply with IFRS as endorsed by the European Union (EU) applicable as at 31 December 2020, together with the comparative period data for the year ended 31 December 2019 and the year ended 31 December 2018, as described in general accounting principles and relevant notes.

In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2018, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its NGAAP financial statements. For the 1 January and 31 December 2018 there are no published financial statements for the Group as this was not a requirement under Norwegian Accounting Law. The figures under NGAAP were presented in NOK. As part of the implementation of IFRS the Group changed its presentation currency to USD.

### Reconciliation of Assets, Liabilities and Equity

| For the period ended 31 December 2019 | Note | NGAAP (NOK 1,000) | Effect of transition to IFRS (NOK 1,000) | IFRS (NOK 1,000) | IFRS (USD 1,000) |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Goodwill | A, B | 211,479 | (35,022) | 176,457 | 20,097 |
| Intangible assets | A, G | 24,971 | 53,192 | 78,163 | 8,902 |
| Property, plant and equipment | | 2,751 | - | 2,751 | 313 |
| Right-of-use assets | F | - | 27,027 | 27,027 | 3,078 |
| Deferred tax asset | E | 44,509 | (44,509) | - | - |
| Total non-current assets | | 283,710 | 688 | 284,398 | 32,390 |
| **Current assets** | | | | | |
| Trade receivables | | 11,606 | - | 11,606 | 1,322 |
| Other current assets | B | 6,469 | (1,208) | 5,261 | 599 |
| Cash and cash equivalents | | 358,684 | - | 358,684 | 40,851 |
| Total current assets | | 376,759 | (1,208) | 375,552 | 42,772 |
| TOTAL ASSETS | | 660,470 | (520) | 659,950 | 75,163 |
| | | | | | |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share capital | | 12,936 | - | 12,936 | 1,473 |
| Share premium | | 813,237 | - | 813,237 | 92,621 |
| Share-based payments reserves | D | - | 18,394 | 18,394 | 2,095 |
| Foreign currency translation reserves | | - | (438) | (438) | (50) |
| Retained earnings | A - G | (255,473) | (96,725) | (352,198) | (40,112) |
| Total equity | | 570,700 | (78,769) | 491,931 | 56,027 |
| | | | | | |
| **Non-current liabilities** | | | | | |
| Lease liabilities (non-current portion) | F | - | 22,485 | 22,485 | 2,561 |
| Deferred tax liability | A | - | 11,817 | 11,817 | 1,346 |
| Total non-current liabilities | | - | 34,302 | 34,302 | 3,907 |
| **Current liabilities** | | | | | |
| Lease liabilities (current portion) | F | - | 5,277 | 5,277 | 601 |
| Trade payables | | 8,256 | - | 8,256 | 940 |
| Contract liabilities (deferred revenue) | C | 58,983 | (5,665) | 53,317 | 6,072 |
| Current tax liabilities | | - | - | - | - |
| Other current liabilities | C, D | 22,532 | 44,335 | 66,867 | 7,616 |
| Total current liabilities | | 89,770 | 43,947 | 133,717 | 15,229 |
| Total liabilities | | 89,770 | 78,249 | 168,019 | 19,136 |
| TOTAL EQUITY AND LIABILITIES | | 660,470 | (520) | 659,950 | 75,163 |

## Reconciliation of Assets, Liabilities and Equity (continued)

| For the period ended 31 December 2018 | Note | NGAAP (NOK 1,000) | Effect of transition to IFRS (NOK 1,000) | IFRS (NOK 1,000) | IFRS (USD 1,000) |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Goodwill | | - | - | - | - |
| Intangible assets | A, G | 32,650 | (349) | 32,301 | 3,718 |
| Property, plant and equipment | | 1,218 | - | 1,218 | 140 |
| Right-of-use assets | F | - | 29,683 | 29,683 | 3,416 |
| Deferred tax asset | E | 30,124 | (30,124) | - | - |
| Total non-current assets | | 63,992 | (790) | 63,202 | 7,274 |
| Current assets | | | | | |
| Trade receivables | | 3,288 | - | 3,288 | 378 |
| Other current assets | | 5,333 | - | 5,333 | 614 |
| Cash and cash equivalents | | 241,917 | - | 241,917 | 27,843 |
| Total current assets | | 250,538 | - | 250,538 | 28,836 |
| TOTAL ASSETS | | 314,530 | (790) | 313,740 | 36,110 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share capital | | 11,592 | - | 11,592 | 1,334 |
| Share premium | | 464,305 | - | 464,305 | 53,439 |
| Share-based payments reserves | D | - | 13,782 | 13,782 | 1,586 |
| Foreign currency translation reserves | | - | (306) | (306) | (35) |
| Retained earnings | A - G | (184,015) | (58,048) | (242,063) | (27,860) |
| Total equity | | 291,882 | (44,572) | 247,310 | 28,464 |
| **Non-current liabilities** | | | | | |
| Lease liabilities (non-current portion) | F | - | 25,330 | 25,330 | 2,915 |
| Deferred tax liability | | - | - | - | - |
| Total non-current liabilities | | - | 25,330 | 25,330 | 2,915 |
| **Current liabilities** | | | | | |
| Lease liabilities (current portion) | F | - | 4,787 | 4,787 | 551 |
| Trade payables | | 1,522 | - | 1,522 | 175 |
| Contract liabilities (deferred revenue) | | 14,131 | - | 14,131 | 1,626 |
| Current tax liabilities | | - | - | - | - |
| Other current liabilities | C, D | 6,995 | 13,665 | 20,659 | 2,378 |
| Total current liabilities | | 22,648 | 18,452 | 41,100 | 4,730 |
| Total liabilities | | 22,648 | 43,782 | 66,430 | 7,646 |
| TOTAL EQUITY AND LIABILITIES | | 314,530 | (790) | 313,740 | 36,110 |

| As at 1 January 2018 | Note | NGAAP (NOK 1,000) | Effect of transition to IFRS (NOK 1,000) | IFRS (NOK 1,000) | IFRS (USD 1,000) |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Goodwill | | - | - | - | - |
| Intangible assets | G | 40,465 | (174) | 40,291 | 4,910 |
| Property, plant and equipment | | 456 | - | 456 | 56 |
| Right-of-use assets | | - | - | - | - |
| Deferred tax asset | E | 15,434 | (15,434) | - | - |
| Total non-current assets | | 56,355 | (15,609) | 40,746 | 4,966 |
| Current assets | | | | | |
| Trade receivables | | 716 | - | 716 | 87 |
| Other current assets | | 4,026 | - | 4,026 | 491 |
| Cash and cash equivalents | | 36,481 | - | 36,481 | 4,446 |
| Total current assets | | 41,223 | - | 41,223 | 5,024 |
| TOTAL ASSETS | | 97,578 | (15,609) | 81,970 | 9,990 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share capital | | 427 | - | 427 | 52 |
| Share premium | | 199,785 | - | 199,785 | 24,349 |
| Share-based payments reserves | D | - | 9,441 | 9,441 | 1,151 |
| Foreign currency translation reserves | | - | - | - | - |
| Retained earnings | A - G | (111,075) | (25,058) | (136,134) | (16,592) |
| Total equity | | 89,136 | (15,617) | 73,519 | 8,960 |
| **Non-current liabilities** | | | | | |
| Lease liabilities (non-current portion) | | - | - | - | - |
| Deferred tax liability | | - | - | - | - |
| Total non-current liabilities | | - | - | - | - |
| **Current liabilities** | | | | | |
| Lease liabilities (current portion) | | - | - | - | - |
| Trade payables | | 2,331 | - | 2,331 | 284 |
| Contract liabilities (deferred revenue) | | 1,277 | - | 1,277 | 156 |
| Current tax liabilities | | - | - | - | - |
| Other current liabilities | C, D | 4,833 | 8 | 4,842 | 590 |
| Total current liabilities | | 8,442 | 8 | 8,450 | 1,030 |
| Total liabilities | | 8,442 | 8 | 8,450 | 1,030 |
| TOTAL EQUITY AND LIABILITIES | | 97,578 | (15,609) | 81,970 | 9,990 |

## Reconciliation of Profit (Loss) and Comprehensive Income (Loss)

| For the period ended 31 December 2019 | Note | NGAAP (NOK 1,000) | Effect of transition to IFRS (NOK 1,000) | IFRS (NOK 1,000) | IFRS (USD 1,000) |
|---|---|---|---|---|---|
| Revenue from contracts with customers | A, C | 77,098 | (2,581) | 74,517 | 8,464 |
| Other operating revenue | | - | - | - | - |
| Total revenue | | 77,098 | (2,581) | 74,517 | 8,464 |
| Direct cost of sales | B | 8,543 | (570) | 7,972 | 906 |
| Employee benefit expenses | D | 74,275 | 32,616 | 106,891 | 12,142 |
| Other operating expenses | F | 55,840 | (1,804) | 54,037 | 6,138 |
| Total operating expenses | | 138,658 | 30,241 | 168,900 | 19,185 |
| Operating profit/(loss) before depreciation (EBITDA) | | (61,560) | (32,822) | (94,383) | (10,721) |
| Amortization of intangible assets | G | 22,832 | (13,171) | 9,661 | 1,097 |
| Depreciation | F | 645 | 4,361 | 5,006 | 569 |
| Total depreciation and amortization | | 23,477 | (8,809) | 14,667 | 1,666 |
| | | | | | |
| Operating profit/(loss) (EBIT) | | (85,037) | (24,013) | (109,050) | (12,387) |
| Financial income | | 3,055 | - | 3,055 | 347 |
| Financial expenses | F | (1,448) | (798) | (2,246) | (255) |
| Net foreign exchange gains (losses) | | (1,976) | - | (1,976) | (224) |
| Net financial items | | (369) | (798) | (1,167) | (133) |
| Profit/(loss) before income tax | | (85,406) | (24,811) | (110,216) | (12,519) |
| Income tax | E | (14,386) | 13,998 | (387) | (44) |
| Profit/(loss) for the year | | (71,020) | (38,809) | (109,829) | (12,475) |
| | | | | | |
| Other comprehensive income: | | | | | |
| Items that might be subsequently reclassified to profit or loss: | | | | | |
| Exchange differences on translation of foreign operations | | (132) | - | (132) | (15) |
| Item that are not reclassified to profit or loss: | | | | | |
| Exchange diff. on translation to another presentation currency | | - | - | - | 1,044 |
| Total comprehensive income for the year | | (71,152) | (38,809) | (109,962) | (11,447) |

| For the period ended 31 December 2018 | Note | NGAAP (NOK 1,000) | Effect of transition to IFRS (NOK 1,000) | IFRS (NOK 1,000) | IFRS (USD 1,000) |
|---|---|---|---|---|---|
| Revenue from contracts with customers | | 14,437 | - | 14,437 | 1,775 |
| Other operating revenue | | 1,350 | - | 1,350 | 166 |
| Total revenue | | 15,787 | - | 15,787 | 1,941 |
| Direct cost of sales | | 1,336 | - | 1,336 | 164 |
| Employee benefit expenses | D | 60,032 | 17,997 | 78,030 | 9,593 |
| Other operating expenses | | 33,824 | - | 33,824 | 4,158 |
| Total operating expenses | | 95,192 | 17,997 | 113,189 | 13,916 |
| Operating profit/(loss) before depreciation (EBITDA) | | (79,405) | (17,997) | (97,402) | (11,975) |
| Amortization of intangible assets | G | 7,815 | 174 | 7,990 | 982 |
| Depreciation | F | 321 | 362 | 683 | 84 |
| Total depreciation and amortization | | 8,136 | 536 | 8,673 | 1,066 |
| | | | | | |
| Operating profit/(loss) (EBIT) | | (87,541) | (18,534) | (106,075) | (13,041) |
| Financial income | | 889 | - | 889 | 109 |
| Financial expenses | | (98) | (73) | (171) | (21) |
| Net foreign exchange gains (losses) | | (573) | - | (573) | (70) |
| Net financial items | | 218 | (73) | 146 | 18 |
| Profit/(loss) before income tax | | (87,323) | (18,606) | (105,929) | (13,023) |
| Income tax | E | (14,689) | 14,689 | - | - |
| Profit/(loss) for the year | | (72,633) | (33,296) | (105,929) | (13,023) |
| | | | | | |
| Other comprehensive income: | | | | | |
| Items that might be subsequently reclassified to profit or loss: | | | | | |
| Exchange differences on translation of foreign operations | | (306) | - | (306) | (35) |
| Item that are not reclassified to profit or loss: | | | | | |
| Exchange diff. on translation to another presentation currency | | - | - | - | (2,271) |
| Total comprehensive income for the year | | (72,939) | (33,296) | (106,235) | (15,329) |

## Reconciliation of Cash Flows

| For the period ended 31 December 2019 | Note | NGAAP (NOK 1,000) | Effect of transition to IFRS (NOK 1,000) | IFRS (NOK 1,000) | IFRS (USD 1,000) |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Profit/(loss) before income tax | | (85,406) | (24,811) | (110,216) | (12,519) |
| *Adjustments for* | | | | | |
| Depreciation and amortization | A, F | 23,477 | (8,809) | 14,667 | 1,666 |
| Net interest income | F | - | (2,258) | (2,258) | (256) |
| Share-based payments expense | D | - | 4,612 | 4,612 | 524 |
| Change in trade and other receivables | | (8,318) | - | (8,318) | (945) |
| Change in contract liabilities | B | 44,852 | 1,344 | 46,196 | 5,247 |
| Change in trade payables | | 6,733 | - | 6,733 | 765 |
| Change in other current assets and other liabilities | D | (5,024) | 28,670 | 23,646 | 2,686 |
| Interest received | | - | 3,055 | 3,055 | 347 |
| Net cash flow from operating activities | | (23,687) | 1,804 | (21,883) | (2,486) |
| | | | | | |
| **Cash flows from investing activities** | | | | | |
| Payment for acquisition of subsidiary, net of cash acquired | | (85,880) | 4,745 | (81,135) | (8,996) |
| Payment for property, plant and equipment | | (2,177) | - | (2,177) | (247) |
| Net cash flow from investing activities | | (88,057) | 4,745 | (83,312) | (9,243) |
| | | | | | |
| **Cash flows from financing activities** | | | | | |
| Net proceeds from issuance of ordinary shares | | 228,998 | - | 228,998 | 26,012 |
| Repayments of lease liabilities | F | - | (4,061) | (4,061) | (461) |
| Paid interest on lease liabilities | F | - | (798) | (798) | (91) |
| Net cash flow from financing activities | | 228,998 | (4,859) | 224,140 | 25,460 |
| | | | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | 117,255 | 1,690 | 118,945 | 13,731 |
| Cash and cash equivalents as of 1 January | | 241,917 | - | 241,917 | 27,843 |
| Effects of exchange rate changes on cash and cash equiv. | | (487) | (1,690) | (2,177) | (723) |
| Cash and cash equivalents as of 31 December | | 358,684 | - | 358,684 | 40,851 |

| For the period ended 31 December 2018 | Note | NGAAP (NOK 1,000) | Effect of transition to IFRS (NOK 1,000) | IFRS (NOK 1,000) | IFRS (USD 1,000) |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Profit/(loss) before income tax | | (87,323) | (18,606) | (105,929) | (13,023) |
| *Adjustments for* | | | | | |
| Depreciation and amortization | A, F | 8,136 | 536 | 8,673 | 1,066 |
| Net interest income | F | - | (817) | (817) | (100) |
| Share-based payments expense | D | - | 4,341 | 4,341 | 534 |
| Change in trade and other receivables | | (2,572) | - | (2,572) | (316) |
| Change in contract liabilities | | 12,853 | - | 12,853 | 1,580 |
| Change in trade payables | | (875) | - | (875) | (108) |
| Change in other current assets and other liabilities | D | 796 | 13,656 | 14,452 | 1,777 |
| Interest received | - | - | 889 | 889 | 109 |
| Net cash flow from operating activities | | (68,983) | 0 | (68,983) | (8,481) |
| | | | | | |
| **Cash flows from investing activities** | | | | | |
| Payment for acquisition of subsidiary, net of cash acquired | | - | - | - | - |
| Payment for property, plant and equipment | | (1,093) | - | (1,093) | (134) |
| Net cash flow from investing activities | | (1,093) | - | (1,093) | (134) |
| | | | | | |
| **Cash flows from financing activities** | | | | | |
| Net proceeds from issuance of ordinary shares | | 275,685 | - | 275,685 | 33,894 |
| Repayments of lease liabilities | | - | - | - | - |
| Paid interest on lease liabilities | | - | - | - | - |
| Net cash flow from financing activities | | 275,685 | - | 275,685 | 33,894 |
| | | | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | 205,608 | 0 | 205,608 | 25,278 |
| Cash and cash equivalents as of 1 January | | 36,481 | - | 36,481 | 4,446 |
| Effects of exchange rate changes on cash and cash equivalents | | (173) | - | (173) | (1,881) |
| Cash and cash equivalents as of 31 December | | 241,917 | 0 | 241,917 | 27,843 |

## Notes to the reconciliation of changes from NGAAP to IFRS:

### A) Purchase price allocation related to Poio and DragonBox

Previously all excess values were allocated to goodwill and amortized. Transaction costs were recognized as part of the cost price/goodwill. At the implementation of IFRS, a purchase price allocation was performed for the acquisitions in 2019, and the excess value allocated to the identifiable assets and deferred tax liabilities.

NOK 55,475 thousand was reclassified from goodwill to intangible assets (technology and brands) in the balance sheet for the year ended 31 December 2019, including an increase in goodwill and deferred tax liabilities of NOK 12,205 thousand.

NOK 15,106 thousand of amortization of goodwill was reversed.

Cost prices were adjusted for transaction costs, which was recognized as an operating expense, amounting to NOK 3,055 thousand as an increase in operating expenses and a corresponding decrease of goodwill.

NOK 1,760 thousand of amortization was recognized for the identified technologies and a related decrease to income tax and deferred tax liability of NOK 387 thousand. The identified brands are considered to have an indefinite useful life.

### B) Deferred revenue and deferred COGS

Under NGAAP, the revenue in DragonBox (acquired with effective date 1 September 2019) was amortized over the subscription period. Under IFRS, the evaluation is that the revenue shall be recognized at a point in time. This also affected the opening balance included in the purchase price allocation. Therefore, on 31 December 2019, the Group recognized a decrease in the revenue of NOK 1,914 thousand, a decrease in contract liabilities (deferred revenue) of NOK 3,665 thousand and a decrease in goodwill of NOK 5,580 thousand.

The same applied for the deferred cost of goods sold. Therefore, at 31 December 2019, the Group recognized a decrease in the cost of goods sold by NOK 570 thousand, a decrease in deferred COGS of NOK 1,208 thousand and an increase in goodwill of NOK 1,778 thousand.

### C) Government grants

Under NGAAP, a government grant was received in cash by DragonBox in 2018. The grant committed the Company to continue its development over a two-year period. Under NGAAP, this was recognized as other revenue over the two-year period. As part of the purchase price allocation, the related asset was considered to have zero value. However, as the development period is not finalized, costs are still incurred. The value of the government grant was reclassified from other revenue to a decrease in employee benefit expenses of NOK 667 thousand.

### D) Share-based payments

Under NGAAP, the Group did not recognize any costs associated to the share-based payments as an expense. IFRS requires the fair value of the share options to be determined using an appropriate pricing model recognized over the vesting period.

Expenses of NOK 17,997 thousand (2018) and NOK 33,282 thousand (2019), were recognized in profit or loss as employee benefit expenses. This includes social security tax.

The following amounts were recognized against the share-based payment reserves, NOK 13,801 thousand (31 December 2018) and NOK 18,417 thousand (31 December 2019).

For the corresponding social security tax liability, the recognized amounts were NOK 13,189 thousand (31 December 2018) and NOK 40,364 thousand (31 December 2019).

**E) Deferred tax asset**

Under NGAAP, the Company's tax losses carried forward were recognized as a reduction in income tax expenses for all years. Management assessed whether it is still applicable under IFRS and concluded the entire recognized deferred tax asset should be reversed by NOK 15,434 thousand as at 1 January 2018,NOK 30,124 thousand as at 31 December 2018 and NOK 44,509 as at 31 December 2019.

**F) Leases**

Under NGAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

In 2018 the Group entered into a lease agreement for its head-office (until this lease agreement, no lease obligation were to be recognized according to their terms). All other leasing agreements are regarded as short-term as they are mainly perpetual and can be cancelled within a few months. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Group recognized an increase of NOK 30,045 thousand as at 31 December 2018 (NOK 27,762 thousand as at 31 December 2019) of lease liabilities and an increase of NOK 30,045 thousand as at 31 December 2018 (NOK 27,027 thousand as at 31 December 2019) of right-of-use assets.

Other operating expenses decreased by NOK 4,859 thousand in 2019. Additionally, depreciation increased by NOK 4,361 thousand in 2019 (NOK 362 thousand in 2018) and finance costs increased by NOK 798 thousand for the year ended 31 December 2019 (NOK 73 thousand in 2018).

he lease payment is presented as financing activities and reclassified from operating activities with NOK 4,859 thousand in 2019.

**G) Intangible assets**

Under NGAAP, the Company's website domain was recognized as an asset with an indefinite useful life. As at the date of transition to IFRS, 1 January 2018, the intangible asset has been amortized using a useful life of 10 years. Group started to depreciate the intangible asset by NOK 174 thousand effective from year from 2017 onwards and included in the 1 January opening balance.

## Note 26 Events after the reporting period

No events that have significantly affected or may significantly affect the operations of the Group have occurred after 31 December 2020.

## Note 27 New and amended standards not yet adopted by the Group

At the date of authorization of these financial statements, the following standards and interpretations that could affect the Group's consolidated financial statements were issued but not effective:

- Amendments to IAS 1, Presentation of financial statements' on classification of liabilities
  - This change clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

Management anticipates that these standards and interpretations will be adopted at the dates stated above provided that the standards and interpretations are approved by the EU.

# Financial statements

## Parent company

# Parent company annual financial statements 2020

## Parent company statement of profit or loss

NOK in thousands

| NOTE | OPERATING REVENUE AND OPERATING EXPENSES | 2020 | 2019 |
|---|---|---|---|
| 3 | Operating revenue | 244,059 | 69,787 |
| 4 | Cost of sales | 20,347 | 6,887 |
| 5 | Payroll and related expenses | 218,302 | 58,087 |
| 6 | Other operating expenses | 102,829 | 61,810 |
| | Operating profit/(loss) before depr. and amortiz. (EBITDA) | (97,419) | (56,997) |
| 8 | Depreciation tangible assets | 1,030 | 606 |
| 7 | Depreciation intangible assets | 7,726 | 7,726 |
| | Operating profit/(loss) (EBIT) | (106,175) | (65,330) |
| | **FINANCIAL INCOME AND EXPENSES** | | |
| | Other financial income | 3,357 | 2,972 |
| 9 | Interest income from group companies | 1,340 | - |
| | Other financial expenses | (1,776) | (1,351) |
| | Net foreign exchange gains (losses) | (149,542) | (1,845) |
| 9 | Impairment shares subsidiaries | - | (60,694) |
| 9 | Impairment receivables subsidiaries | - | (20,705) |
| | Net financial result | (146,621) | (81,624) |
| | Profit/(loss)before tax | (252,796) | (146,954) |
| 13 | Income tax | (51,408) | (18,977) |
| | Profit/(loss) for the financial year | (201,389) | (127,977) |
| | **ALLOCATIONS AND TRANSFERS** | | |
| 2 | Transferred to/from other equity | (201,389) | (127,977) |
| | Total allocations transfers | (201,389) | (127,977) |

## Parent company balance sheet

NOK in thousands

| NOTE | ASSETS | 12/31/20 | 12/31/19 |
|---|---|---|---|
| 7 | Research and development | 15,453 | 23,179 |
| 7 | Licenses, trademarks and similar rights | 1,744 | 1,744 |
| 13 | Deferred tax assets | 122,637 | 49,100 |
| | Total intangible assets | 139,834 | 74,024 |
| 8 | Fixtures and fittings | 2,818 | 2,440 |
| | Total tangible fixed assets | 2,818 | 2,440 |
| 9 | Investments in subsidiaries | 581,179 | 241,934 |
| 9 | Loans to group companies | 219,205 | 3,000 |
| | Total financial non-current assets | 800,384 | 244,934 |
| | Total non-current assets | 943,036 | 321,398 |
| 10 | Accounts receivables | 8,054 | 10,010 |
| | Prepaid expenses and other current assets | 10,043 | 4,444 |
| 11 | Cash and cash equivalents | 2,144,019 | 346,280 |
| | Total current assets | 2,162,116 | 360,734 |
| | **TOTAL ASSETS** | **3,105,152** | **682,132** |
| | **EQUITY AND LIABILITIES** | | |
| 2,12 | Share capital | 44,609 | 12,936 |
| 2.12 | Share premium | 3,071,538 | 813,237 |
| 2.12 | Other paid-in equity | 67,596 | 17,758 |
| | Total paid-in equity | 3,183,743 | 843,931 |
| 2,12 | Other equity | (482,115) | (280,726) |
| | Total retained earnings | (482,115) | (280,726) |
| | Total equity | 2,701,628 | 563,205 |
| 3 | Deferred revenue | 178,268 | 53,317 |
| 9 | Liabilities payable to group companies | 1,054 | 142 |
| | Accounts payable | 13,236 | 7,555 |
| | Public duties payable | 140,977 | 51,722 |
| | Other current liabilities | 69,990 | 6,190 |
| | Total current liabilities | 403,523 | 118,927 |
| | Total liabilities | 403,523 | 118,927 |
| | **TOTAL EQUITY AND LIABILITIES** | **3,105,152** | **682,132** |

## Oslo, 9 February 2021

*Sign*

**Harald Arnet**
Chairman

*Sign*

**Fredrik Cassel**
Board Member

*Sign*

**Michiel Kotting**
Board Member

*Sign*

**Sindre Østgård**
Board Member

*Sign*

**Stefan Blom**
Board Member

*Sign*

**Eilert Hanoa**
CEO

## Parent company statement of cash flows

NOK in thousands

| **Cash flow from operating activities** | 2020 | 2019 |
|---|---|---|
| Profit/(loss) before tax | (252,796) | (146,954) |
| Depreciation and amortization | 8,756 | 8,332 |
| Impairment shares subsidiaries | - | 60,694 |
| Impairment receivables subsidiaries | - | 20,705 |
| Share-based payments expense | 18,061 | - |
| Change in trade receivables | 1,956 | (6,722) |
| Change in trade payables | 5,680 | 6,094 |
| Changes in public duties payable | 89,254 | 1,111 |
| Changes in inter-company balances | (12,767) | (2,484) |
| Changes in deferred revenue | 124,950 | 39,187 |
| Changes in other current assets and other liabilities | 31,780 | 2,527 |
| Items classified as effects of currency rate changes on cash | 143,232 | - |
| Net cash flow from operating activities | 158,107 | (17,510) |
| | | |
| **Cash flow from investing activities:** | | |
| Purchases of fixed assets | (1,407) | (1,913) |
| Cash payments acquisitions subsidiaries | (197,128) | (85,880) |
| Increase equity subsidiaries | - | (17,000) |
| Net cash flow from investing activities | (198,535) | (104,794) |
| | | |
| **Cash flow from financing activities:** | | |
| Change in intercompany loan financing | (202,527) | - |
| Net proceeds from equity issue | 2,183,926 | 228,998 |
| Net cash flow from financing activities | 1,981,399 | 228,998 |
| Effects of currency rate changes on cash and cash equivalents | (143,232) | - |
| | | |
| Net change in bank deposits, cash and equivalents | 1,797,739 | 106,695 |
| Bank deposits, cash and equivalents at 1 January | 346,280 | 239,585 |
| Bank deposits, cash and equivalents at 31 December | 2,144,019 | 346,280 |

# Notes

## Note 1 Parent company accounting principles

### General information

Kahoot! AS (the Company or Kahoot!) is a limited liability company incorporated and domiciled in Norway, with its head office in Fridtjof Nansens plass 7, 0160 Oslo. Kahoot! AS is the parent company in the Kahoot! Group, and is listed on Euronext Growth Oslo with the ticker "KAHOT".

### Basis of preparation

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The financial statement is presented in NOK.

### Classification and evaluation of balance sheet Items

Current assets as well as current liabilities include items which fall due for payment within one year after time of acquisition. The remaining items are classified as fixed assets / long-term debt. Current assets are evaluated to the lowest sum of acquisition cost and fair value. Fixed assets are evaluated to acquisition cost and depreciated over the expected economic lifetime. In case of permanent impairment testing fixed assets are written down to recoverable amounts.

### Tangible assets

Tangible assets are stated at historical cost less depreciation and adjustments for impairment losses.

Acquisition cost of fixes assets includes fees, taxes and other direct purchase expenses necessary to prepare the fixed asset for operation. Accrued expenses for spare parts of fixed assets are included in the balance value when these kinds of expenses are considered to represent future economical benefits in excess of the originally assessed functional standard of the asset, and the expenses can be measured reliably. All other costs are expensed in the income statement as they occur.

Depreciations are charged to the income statement using the straight-line method over estimated utilized lifetime. The remaining value of a fixed asset is evaluated annually unless the value is considered insignificant.

### Intangible assets

Intangible assets are stated at historical cost less depreciation and adjustments for impairment losses. Depreciations are charged to the income statement using the straight-line method over estimated utilized lifetime.

### Subsidiaries

Subsidiaries are valued by the cost method. The investment is valued as cost of acquired shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental. Write downs are reversed when the cause of the initial write down are no longer present. Dividend and other distributions are recognized in the same year as accrued for in the subsidiary.

## Accounts receivables

Accounts receivables and other receivables are recognized at their anticipated realizable value, which is the original invoice amount less an estimated allowance for impairment loss on these receivables. Individual considerations are made with respect to customer receivables and other receivables.

## Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, inclusive of restricted holdings.

## Foreign currency

Foreign currency receivables and liabilities are converted using the year-end exchange rates. Foreign currency transactions are recorded at the exchange rate on the transaction date.

## Revenue recognition

Revenues from software licenses are recognized in the income statement based on the duration of the contract period.

## Operational leases

Leases for which most of the risk rests with the other contracting party, are classified as operating leases. Lease payments are classified as operating costs and charged to the income statement over the contract period.

## Research and development

Expenses relating to research and development are recognized in the income statement when they occur.

## Pension contributions

Commitments to contribute pension arrangements to employees are charged to the income statement when they occur.

## Income tax

The income tax expense consists of tax payable and changes to deferred tax. Income taxes are recognized in the income statement with exception of taxes from items recognized directly to equity.

Taxes payable amounts to expected payable tax from taxable profit for the year at applicable tax rates at the balance date, and adjustments (if any) of payable taxes from previous years. Provisions are made for deferred taxes based on the balance-oriented liability method, considering temporary differences between the carrying amount and the tax bate of assets and liabilities. Provisions for deferred taxes are based on expected settlements of balance values of assets and liabilities and are calculated with the tax rates approved for future periods at the balance date.

Deferred tax assets are recognized when it is probable that the Company will have a sufficient profit for tax purposes to utilize the tax asset. Deferred tax assets are reduced if it is no longer likely that the asset may be utilized.

## Cash flow report

Cash flow report is prepared according to the indirect method.

## Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

### Change in accounting principles

Share-based payment have not been accounted for in the parent financial statement prior to 1 January 2020. The cumulative effects from inception of the share-based program in 2015 to 2019 have been adjusted for in the opening balance as of 1 January 2020. The effects are as follows:

- Other paid in capital relating to share-based payment is recognized with NOK 17,758 thousand.
- Public duties payable is increased with NOK 38,065 thousand.
- Investments in subsidiaries is increased with NOK 7,747 thousand.
- Other equity is reduced with NOK 48,076 thousand and reflects the expenses that would be recognized through statement of profit or loss if the share-based program had been recognized from inception.

## Note 2 Equity

NOK in thousands

| Paid-in equity | Share capital | Share premium | Other paid-in equity | Other equity | Total equity |
|---|---|---|---|---|---|
| Equity at 1 January 2019 | 11,592 | 464,305 | | (104,673) | 371,224 |
| Share issuance | 1,344 | 348,932 | | - | 350,276 |
| Share-based payments cumulative effect 1 | | | 17,758 | (48,076) | (30,318) |
| Profit/(loss) of the year | - | - | | (127,977) | (127,977) |
| Equity at 31 December 2019 | 12,936 | 813,237 | 17,758 | (280,726) | 563,205 |
| Share issuance | 31,673 | 2,258,301 | - | - | 2,289,974 |
| Share-based payments | | | 49,838 | | 49,838 |
| Profit/(loss) of the year | - | - | - | (201,389) | (201,389) |
| Equity at 31 December 2020 | 44,609 | 3,071,538 | 67,596 | (502,170) | 2,701,628 |

[1] Expenses relating to share-based payments have not been recognized in the parent financial statement prior to 1 January 2020. The effect included in equity opening balance as of 1 January 2020 comprise of share-based payment expenses cumulative effects as of 31 December 2019. NOK 48,076 thousand included in other equity is reflecting the effect on retained earnings as if the share-based payments had been expensed annually since inception to 31 December 2019.

## Note 3 Revenue

Over 90% of revenue in Kahoot! is prepaid annual contracts on software licenses.

Revenues from software licenses are recognized in the income statement based on the duration of the contract period. All deferred revenue in the balance sheet on 31 December 2020 will be recognized as operating revenue in 2021.

| NOK in thousands | 2020 | 2019 |
|---|---|---|
| Subscription revenue | 244,059 | 69,787 |
| Total operating revenue | 244,059 | 69,787 |

| NOK in thousands | 2020 | 2019 |
|---|---|---|
| USA and Canada | 126,745 | 36,242 |
| Europe | 76,630 | 21,912 |
| Asia Pacific | 23,171 | 6,626 |
| Latin America and The Caribbean | 10,392 | 2,972 |
| Africa, The Middle East, and India | 7,121 | 2,036 |
| Total operating revenue | 244,059 | 69,787 |

## Note 4 Direct cost of sales

Includes credit card, transactions and app store fees.

# Note 5 Payroll costs, number of employees and benefits

| NOK in thousands | 2020 | 2019 |
|---|---|---|
| NOK in thousands | 71,451 | 46,104 |
| Social security tax * | 121,588 | 6,739 |
| Pension costs | 1,396 | 886 |
| Share-based payment | 18,061 | - |
| Other personnel costs | 5,806 | 4,357 |
| Total payroll expenses | 218,302 | 58,087 |
| | | |
| Average full-time employees | 83 | 62 |

*) Of which soscial security tax related to share based payments 111,602

| CEO and Directors' remuneration | Salary | Pensions | Other benefits |
|---|---|---|---|
| CEO | 1,757 | 24 | 11 |

No board remuneration was paid in 2020 or 2019

The CEO has 6 months' notice period and 6 months' severance pay.

The CEO was granted 600,000 share options in 2020 and has 750,000 share options outstanding, whereas for 150,000 share options the exercise price is not decided[1]. The average exercise price for outstanding share options where exercise price is decided is NOK 19.20. The CEO vested 37.500 share options in 2020.

For details regarding the share option program in Kahoot! Group, see note 17 in the consolidated Group financial statement.

The company is obligated to follow the stipulations in the Norwegian Mandatory Occupational Pensions Act. The company's pension scheme adheres to the requirements, as set in the Act. The defined contribution plans had 90 members in 2020.

[1] For outstanding share options where the share option exercise price is determined. Exercise price for remaining share options will be based on 20 days Weighted average exercise price (VWAP) prior to the date of the Company's annual general meeting in 2021.

## Note 6 Operating expenses

Other operating cost consists of the following:

| NOK in thousands | 2020 | 2019 |
|---|---|---|
| Consulting | 33,531 | 13,191 |
| Office rent | 6,787 | 5,965 |
| IT and hosting services | 34,617 | 22,025 |
| Other operating expenses | 8,848 | 5,026 |
| Intercompany expenses | 19,045 | 15,603 |
| Total | 102,829 | 61,810 |

Remuneration to Deloitte AS is as follows:

| NOK in thousands | 2020 | 2019 |
|---|---|---|
| Statutory audit | 203 | 49 |
| Other assurance services | 375 | 208 |
| Tax counselling | 35 | 12 |
| Total | 613 | 269 |

## Note 7 Intangible assets

| NOK in thousands | R&D | Domain | Total |
|---|---|---|---|
| Acquistion cost at 1 January 2019 | 38,632 | 1,744 | 40,376 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Acquistion cost at 31 Desember 2019 | 38,632 | 1,744 | 40,376 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Acquistion cost at 31 Desember 2020 | 38,632 | 1,744 | 40,376 |
| | | | |
| Accumulated amortization 1 January 2019 | 7,726 | - | 7,726 |
| Amortization 2019 | 7,726 | - | 7,726 |
| Accumulated amortization 31 December 2019 | 15,453 | - | 15,453 |
| Amortization 2020 | 7,726 | - | 7,726 |
| Accumulated amortization 31 December 2020 | 23,179 | - | 23,179 |
| | | | |
| Balance at December 31, 2019 | 23,179 | 1,744 | 24,924 |
| Balance at December 31, 2020 | 15,453 | 1,744 | 17,197 |
| | | | |
| Estimated useful life | 5 years | | |
| Amortisation method | Linear | Indefinite | |

R&D costs were in 2020 and 2019 expensed in the income statement as they occurred. R&D costs for prior years for developing the Kahoot! platform were capitalized up till the launch of the commercial offering in 2017.

## Note 8 Property, plant and equipment

| NOK in thousands | IT equipment | Fittings and fixtures | Total |
|---|---|---|---|
| Acquisition cost at 1 January 2019 | 633 | 620 | 1,253 |
| Additions | 622 | 1,291 | 1,913 |
| Disposals | - | - | - |
| Acquisition cost at 31 Desember 2019 | 1,255 | 1,911 | 3,166 |
| Additions | 1,065 | 343 | 1,407 |
| Disposals | - | - | - |
| Acquisition cost at 31 Desember 2020 | 2,320 | 2,254 | 4,574 |
| | | | |
| Accumulated depreciation 1 January 2019 | 102 | 18 | 120 |
| Depreciation 2019 | 315 | 291 | 606 |
| Accumulated depreciation 31 December 2019 | 417 | 309 | 726 |
| Depreciation 2020 | 584 | 446 | 1,030 |
| Accumulated depreciation 31 December 2020 | 1,001 | 755 | 1,756 |
| | | | |
| Balance at 31 December 2019 | 838 | 1,602 | 2,440 |
| Balance at 31 December 2020 | 1,319 | 1,499 | 2,818 |
| | | | |
| Estimated useful life | 3 years | 5 years | |
| Depreciation method | Linear | Linear | |

## Note 9 Investment in subsidiaries and transactions and balances with related parties

NOK in thousands

| Company | Year of acquisition | Registered office | Ownership/ voting share | Equity 2020[2] | Net result 2020[1] | Book value |
|---|---|---|---|---|---|---|
| Kahoot! EDU Ltd | 2014 | UK | 100% | 1,776 | 132 | 1,753 |
| Kahoot! EDU Inc | 2015 | US | 100% | (18,690) | 696 | 5,919 |
| Poio AS | 2019 | Norway | 100% | (5,784) | (3,688) | 59,381 |
| Kahoot Dragonbox AS | 2019 | Norway | 100% | (23,159) | (27,915) | 198,522 |
| Actimo ApS | 2020 | Denmark | 100% | 27,131 | (426) | 312,703 |
| Kahoot! International AS | 2020 | Norway | 100% | (1,038) | (1,078) | 2,902 |

[1] Net result included from the date of acquisition for companies acquired during the year. Net result is translated to NOK 1,000 using average foreign exchange rate for the year.

[2] Equity is translated to NOK using the closing foreign exchange for the year.

NOK in thousands

| Company | Receivables | Liabilities | Interest |
|---|---|---|---|
| Kahoot! EDU Ltd | - | (19) | - |
| Kahoot! EDU Inc | - | (400) | - |
| Poio AS | 5,605 | - | 99 |
| Kahoot Dragonbox AS | 11,074 | - | 164 |
| Actimo ApS | - | (634) | - |
| Kahoot! International AS | 202,527 | - | 1,078 |
| Total | 219,205 | (1,054) | 1,340 |

## Note 10 Accounts receivables

| NOK in thousands | 2020 | 2019 |
|---|---|---|
| Accounts receivables | 8,404 | 10,510 |
| Provisions for bad debt | (350) | (500) |
| Total | 8,054 | 10,010 |

## Note 11 Cash and cash equivalents

| NOK in thousands | 2020 | 2019 |
|---|---|---|
| Cash and cash equivalents | 2,144,019 | 346,280 |
| Whereof restricted cash | (7,732) | (13,230) |
| Non restricted cash | 2,136,287 | 333,050 |

## Note 12 Share capital and shareholder information

The share capital in the company at 31 December 2020 consists of:

| | Number | Nominal amount NOK | Carrying value NOK |
|---|---|---|---|
| Ordinary shares | 446,091,967 | 0.10 | 44,609,196.70 |
| Total | 446,091,967 | | 44,609,196.70 |

For shareholder information, see note 23 in the consolidated Group financial statement.

## Note 13 Taxes

NOK in thousands

| Specification of income tax expense: | 2020 | 2019 |
|---|---|---|
| Changes in deferred tax | (51,408) | (18,977) |
| Tax on profit/(loss) | (51,408) | (18,977) |

| Reconciliation from nominal to real income tax rate: | 2020 | 2019 |
|---|---|---|
| Profit/(loss) before taxation | (252,796) | (146,954) |
| | | |
| Estimated income tax according to nominal tax rate (22%) | (55,615) | (32,330) |
| | | |
| The tax effect of the following items: | | |
| Other permanent differences related to investments (the exemption method, in accordance with Norwegian taxation act § 2-38) | - | 13,353 |
| Other non-deductible expenses | 4,208 | 0 |
| Income tax expense | (51,408) | (18,977) |
| Effective income tax rate | 20% | 13% |

### Specification of the tax effect of temporary differences and losses carried forward:

| NOK in thousands | 2020 | | 2019 | |
|---|---|---|---|---|
| | Benefit | Liability | Benefit | Liability |
| Fixed assets | - | 29 | - | 58 |
| Receivables | 4,830 | - | 4,591 | - |
| Social security contribution on share-based payments | 28,430 | | | |
| Losses carried forward | 89,407 | - | 44,567 | - |
| Total | 122,666 | 29 | 49,159 | 58 |
| Off-balance sheet deferred tax benefits | | | | |
| Net deferred benefit/liability in the balance sheet | 122,637 | | 49,100 | |

In 2020, company has achieved a strong revenue growth as result of successful commercial development of the Kahoot! offerings. Whereas the recognized revenue is being deferred through subscription lifetime, the company's cash flow from operations in 2020 is positive. The deferred tax benefit is included in the balance sheet on the basis of future taxable income.

# Alternative performance measures

In order to enhance the understanding of the Group's performance, the Group presents certain measures and ratios that might be considered as alternative performance measures (APM) as defined by the European Securities and Markets Authority, and these should not be viewed as substitute for any IFRS financial measures. These APMs includes invoiced revenue, Annual Recurring Revenue (ARR), Monthly Recurring Revenue (MRR), EBITDA and adjusted EBITDA. The Group has presented these APMs because it considers them to be important supplemental measures to understand the overall picture of revenue and profit generation in the Group's operating activities. Please see below for a further description of these APMs:

- **Invoiced Revenue:** Is defined as the amount invoiced to customers in the relevant period.
- **Monthly Recurring Revenue (MRR):** Is defined as the Company's consolidated recurring revenue for a month.
- **Annual Recurring Revenue or (ARR):** Is defined as MRR for the applicable month multiplied by twelve.
- **EBITDA:** Is defined as the profit/(loss) for the year before net financial income (expenses), income tax expense, depreciation and amortization.
- **Adjusted EBITDA:** Is defined as EBITDA adjusted for special operating items. Special operating items are material expenses and other material transactions of either a non-recurring nature or special in nature compared to ordinary operational income or expenses and include adjustments for share-based compensation expenses and related payroll taxes, acquisition-related expenses and listing cost preparations.

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To the General Meeting of Kahoot! AS

INDEPENDENT AUDITOR'S REPORT

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of Kahoot! AS, which comprise:

- The financial statements of the parent company Kahoot! AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Kahoot! AS and its subsidiaries (the Group), which comprise the balance sheets as at 31 December 2020, 31 December 2019, 31 December 2018, the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, December 2019 and December 2018 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the EU.

*Basis for Opinion*

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other information*

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Board of Directors and the Managing Director for the Financial Statements*
The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Statements*
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible

for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

*Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

*Opinion on Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Trondheim, 10 February 2021
Deloitte AS

Morten Alsos

Morten Alsos
State Authorised Public Accountant (Norway)

# APPENDIX C

# INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

Deloitte.

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To the board of directors in Kahoot! ASA

Independent Auditor's Assurance Report on the compilation of pro Forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Kahoot! ASA (the "Company") by the Board of Directors and Management of the Company. The pro forma financial information consists of the unaudited pro forma income statement for the period ended 31 December 2020 and related notes as set out in section 11 of the prospectus issued by the Company. The applicable criteria on the basis of which the Board of Directors and Management has compiled the pro forma financial information are specified in Regulation (EU) no. 2017/1129 as incorporated in the Securities Trading Act section 7-1 and described in section 11 of the Prospectus (the "applicable criteria").

The pro forma financial information has been compiled by the Board of Directors and Management to illustrate the acquisition of Actimo ApS and PlanB Labs OÜ ("Drops") (collectively the "Transactions") set out in section 11 of the prospectus on the Company's consolidated financial performance for the period ended 31 December 2020 as if the Transactions had taken place at 1 January 2020. As part of this process, information about the Company's financial performance has been extracted by the Board of Directors and Management from the Company's financial statement for the period ended 31 December 2020. The auditor's report on the Company's financial statements for the period ended 31 December 2020 have been incorporated by reference as set out in Section 11 of the prospectus. Information about the financial performance of Actimo Aps and Drops is based on management accounts for the period ended 31 December 2020, on which no audit or review report has been published.

*The Board of Directors and Management's Responsibility for the Pro Forma Financial Information*

The Board of Directors and Management of the Company is responsible for compiling the pro forma financial information on the basis of the applicable criteria.

*Our Independence and Quality Control*

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*Practitioner's Responsibilities*

Our responsibility is to express an opinion, as required by Regulation (EU) no. 2017/1129 about whether the pro forma financial information has been compiled by the Board of Directors and Management of the Company on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether the Board of Directors and Management of the Company have compiled the pro forma financial information on the basis of the applicable criteria and whether this basis is consistent with the accounting policies of the Company. Our work primarily consisted of comparing the unadjusted financial information with the source documents as described in section 11 of the Prospectus, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with Management of the Company.

The aforementioned opinion does not require an audit of historical unadjusted financial information, the adjustments to conform the accounting policies of the acquired entity to the accounting policies of the Company, or the assumptions summarized in section 11 of the Prospectus. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of the Transactions on unadjusted financial information of the Company as if the Transactions had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or performance. Accordingly, we do not provide any assurance that the actual outcome of the Transactions for the period ended 31 December 2020 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis stated involves performing procedures to assess whether the applicable criteria used by the Board of Directors and Management of the Company in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria;
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information; and
- The pro forma financial information has been compiled on a basis consistent with the accounting policies of the Company.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Opinion*

In our opinion:

- the pro forma financial information has been properly compiled on the basis stated in section 11 of the Prospectus; and
- that basis is consistent with the accounting policies of the Company

This report is issued for the sole purpose of offering of shares in Norway and the admission of shares on Oslo Stock Exchange, and other regulated markets in the European Union or European Economic Area as set out in the Prospectus approved by the Financial Supervisory Authority of Norway. Our work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted in the United States and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the listing of shares of the Company on the Oslo Stock Exchange as described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, including the sale of securities other than the listing of the shares on Oslo Stock Exchange and other regulated markets in the European Union or European Economic Area, as set out in the Prospectus approved by the Financial Supervisory Authority of Norway.

Trondheim, 17 mars 2021
Deloitte AS

Morten Alsos
State Authorized Public Accountant (Norway)

**Morten Alsos**
**Statsautorisert revisor**
På vegne av: Deloitte AS
*Serienummer: 9578-5990-4-1916891*
*IP: 217.173.xxx.xxx*
*2021-03-16 15:53:41Z*

bank ID

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