

Kahoot!

Kahoot! Group

Q1 2021 Report

Kahoot! Group – Quarterly Report – Q1 2021

OSLO, 6 May 2021 – Kahoot! ASA, (KAHOT) today announced financial results for its fiscal quarter ended 31 March 2021, in-line with the main numbers presented on the trading update 7 April 2021. The Kahoot! Group continued its strong performance in the first quarter of 2021, including solid growth in usage, revenues, subscribers, launch of several new features and services as well as the acquisition of Whiteboard.fi.

Invoiced revenue for the Kahoot! Group reached \$19.1 million in Q1 2021, representing 195% growth from reported invoiced revenue in Q1 2020. The quarter over quarter invoiced revenue growth was 9% in Q1 2021 (vs. Q4 2020). The Kahoot! Group customer base ARR (Annual Recurring Revenue) as of 31 March 2021 reached \$69 million. The Kahoot! Group delivered in Q1 2021 solid cash flow with approx. 28% cash conversion from billed revenue. The Kahoot! Group reached more than 760 thousand paid subscriptions per Q1 2021 including acquired units.

An update from the CEO of Kahoot!, Eilert Hanoa: First Quarter 2021

As we closed out the first quarter, I am proud to share that our organization has delivered solid financial growth and provided more value to all Kahoot! users around the world. The Kahoot! Group reached invoiced revenue of \$19.1 million for Q1 2021, representing 195% YoY growth with continued strong cash flow from operations of \$5.4 million for Q1 2021.

We also had continued growth in paid subscriptions across all units in Kahoot!, reaching more than 760 thousand in the first quarter of 2021, including all Kahoot! subscriptions, DragonBox math curriculum, Drops language learning, monthly active Actimo employee licenses, and Whiteboard.fi, the online whiteboard tool for teachers and classrooms.

In Q1, the growth continued on the Kahoot! platform, with more than 28 million active accounts (68% YoY growth), hosting 279 million games (28% YoY growth) with more than 1.6 billion participating players (24% YoY growth), all in the last 12 months. We kicked off the first quarter of 2021 by reaching a big milestone of [5 billion cumulative participating players](#) since Kahoot! was launched in 2013.

In February, we announced the [acquisition of Whiteboard.fi](#), an online whiteboard tool for teachers and classrooms that helps engage students both in the physical classroom and through remote learning. Through this acquisition, Kahoot! expanded its platform to provide more powerful learning and engagement tools for more than 8 million teachers and educators on the Kahoot! platform.

We made several powerful product and feature updates for both teachers/students as well as for corporate users. Based on popular requests, we launched the ability for students to see both [questions and answers on their devices](#) in a live Kahoot! or virtually, providing a more accessible and inclusive experience for all. In addition, we [upgraded our free-for-teachers offering](#) to allow all K-12 teachers to add slides in their kahoots.

In March, we introduced [Kahoot! Academy Connect](#), a community for educators allowing them to network, discover and share unique learning content with millions of educators, teachers, and followers on the Kahoot! platform. In the coming months, we will continue to improve Kahoot! Academy Connect, including more functionality for sharing and connecting for more users and publishing partners. Additionally, we will also introduce Kahoot! Academy Marketplace where educators will be able to offer their content for purchase to other users.

For our corporate users, we introduced several improvements including [new slide layouts as part of Kahoot! 360 for work](#) to give participants more context while boosting focus. We also announced our [PowerPoint add-in](#) allowing hosts to present kahoots without ever leaving PowerPoint's presenter view, giving hosts more opportunities to make their presentations more engaging and interactive, whether in-person or online.

Earlier in March, we hosted our [Kahoot! EDU Meetup: Spring edition](#) where nearly 20,000 educators from all around the world joined us for the virtual professional development event to hear about educators' best practices, new features, and exciting offerings for hybrid learning.

We launched our [collaboration with Google Search](#), to bring Kahoot!'s engaging learning experiences to Google Search users worldwide. This collaboration allows anyone to discover and play math practice problems from Kahoot! Academy directly from the Google Search results page.

As part of our strategy to make Kahoot! even more accessible, relevant and intuitive for our global community, particularly for young learners, we launched two new languages, [German and Italian](#), to the growing numbers of languages that the Kahoot! app now supports, including Spanish, French and Portuguese. The upcoming addition of language learning to the Kahoot! app will enable reading out questions and answers for self-study, supporting over 30 languages.

A [new report](#) from Interbrand estimated the strength of the Kahoot! brand, currently describing Kahoot! as "a platform and experience that users feel passionate about" and "there is a deeper sense of connection that users feel with Kahoot!" The report also shows that Kahoot!'s Global Brand Strength (one of three main criteria for brand value) is on par with the likes of long-established global brands such as YouTube, Nintendo and Sony.

Last but not least in an eventful first quarter of the year, Kahoot! reached another milestone as we started to trade on the [Oslo Stock Exchange main list](#) - being available to an even larger, global investor base with a passion for making learning awesome!

In the beginning of the second quarter, we announced the [acquisition of Motimate](#) to strengthen Kahoot!'s offerings in employee engagement and corporate learning. The acquisition is a part of a strategy to accelerate Kahoot!'s employee engagement product development and expand its product road map further.

As we head further into the second quarter, we will continue to launch new initiatives catering to all audiences, including our upcoming launch of [Zoom integration](#) that will allow users to host and play Kahoot! games and presentations without ever leaving the Zoom meeting.

Finally, we look forward to launch [Kahoot! 360 Spirit](#) during May, our first Employee Engagement offering on the Kahoot! platform, providing a complete solution for corporate learning, audience engagement, company culture and team spirit building, together with the upcoming Kahoot! Engage feature, blending the video conference into the Kahoot! at work experience.

Stay tuned for more exciting news in the coming months, making Kahoot! engage, inspire and connect professionals, educators and learners on digital platforms and when returning to schools and workplaces, to make learning awesome!

Highlights Q1 2021

The main figures were reported in the company trading update 7 April 2021.

- The user growth on the Kahoot! platform continued with more than 28 million active accounts in the last twelve months (68% YoY growth). Number of hosted games in the last twelve months was 279 million (28% YoY growth) with more than 1.6 billion participants (24% YoY growth).
- Kahoot! launched several new features and editions for all three main categories (at Work, at School and at Home), contributing to the growth of both free and paid users in the quarter.
- Announced and completed the acquisition of Whiteboard.fi, an online whiteboard tool for teachers and classrooms that helps engage students both in the physical classroom and through remote learning.
- Kahoot! Group reached more than 760 thousand paid subscriptions in Q1 2021, an increase of 85 thousand from Q4 2020, whereof 44 thousand are Kahoot! licenses. The YoY growth including acquisitions, was 277% (approx. 560 thousand) per Q1 2021 vs. Q1 2020.
- Kahoot! Group Q1 2021 subscription categories: 255 thousand Work (including 131 thousand active Actimo employee licenses), 275 thousand School (including 6 thousand Whiteboard), and 230 thousand Home and Study (including 48 thousand DragonBox math curriculum and 130 thousand Drops language learning)
- Invoiced revenue for the Kahoot! Group for Q1 2021 reached \$19.1 million, compared to \$6.5 million in Q1 2020 as reported, representing 195% YoY growth. The quarter-over-quarter invoiced revenue growth was 9% in Q1 2021 vs. Q4 2020.
- The Kahoot! Group customer base ARR (Annual Recurring Revenue) as of 31 March 2021 reached \$69 million, vs. \$18 million per 31.03.2020.
- Total revenue and other operating income for Q1 2021 was \$16.2 million compared to \$4.2 million for Q1 2020, representing 284% YoY growth.
- EBITDA adjusted for share-based compensation expenses and related payroll taxes, acquisition-related expenses and listing cost preparations was \$3.7 million for Q1 2021, representing 22.7% adjusted EBITDA margin.
- The Kahoot! Group had positive cash flow from operations of \$5.4 million in Q1 2021, compared to \$1.1 million in Q1 2020.
- Cash and cash equivalents as of 31 March 2021 were \$254 million. The company has no interest-bearing debt.

Alternative performance measures

In order to enhance the understanding of the Group's performance, the Group presents certain measures and ratios considered as alternative performance measures (APMs) as defined by the European Securities and Markets Authority, and these should not be viewed as substitute for any IFRS financial measures. The APMs includes Invoiced Revenue, Annual Recurring Revenue (ARR), Monthly Recurring Revenue (MRR), EBITDA and adjusted EBITDA. These APM's are presented as the Group considers them to be important supplemental measures to understand the overall picture of revenue and profit generation in the Group's operating activities.

USD in millions	Q1 2021	Q1 2020	FY 2020
Total revenue and other operating income	16.2	4.2	31.0
Invoiced revenue	19.1	6.5	45.3
ARR end of period	69.0	18.0	60.0
EBITDA before adjustments	(1.2)	(0.9)	(15.9)
Share based payment expenses	2.1	0.1	3.1
Social security tax share based payments	1.3	(0.2)	14.2
Acquisition transaction and listing cost	1.4	-	1.0
EBITDA adjusted	3.7	(1.0)	2.3
Adjusted EBITDA margin (%)	22.7 %	-22.6 %	7.5 %
Cash flow from operating activities	5.4	1.1	17.4
Cash and cash equivalents end of period	253.6	34.0	256.1

Description of alternative performance measures:

- Invoiced Revenue is defined as the amount invoiced to customers in the relevant period.
- Monthly Recurring Revenue (MRR) is defined as the revenue the Group expects to receive on a monthly basis from customers.
- 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, 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.

Financial review

- Total revenue and other operating income for the Kahoot! Group was \$16.2 million in Q1 2021, compared to \$4.2 million in Q1 2020, representing 284% growth. The increase of \$12.0 million was driven by strong growth in number of paid subscriptions for the Group's products.
- Employee benefit expenses amounted to \$9.6 million in Q1 2021, whereof share-based payments and related social security taxes accounted for \$3.5 million. Employee benefit expenses excluding share-based payments and related social security taxes amounted to \$6.2 million in Q1 2021, compared to \$2.9 million in Q1 2020. The increase is mainly due to increased number of employees including effect of acquired companies.
- Other operating expenses amounted to \$6.4 million in Q1 2021 compared to \$1.9 million in Q1 2020. The increase of \$4.5 million includes transaction acquisition cost, listing preparation cost, and effect from consolidation of acquired companies.
- EBITDA amounted to -\$1.2 million in Q1 2021. EBITDA adjusted for share-based compensation expenses and related payroll taxes, acquisition-related expenses and listing cost preparations was \$3.7 million in Q1 2021, compared to -\$1.0 million in Q1 2020.
- Depreciation and amortization expenses amounted to \$1.6 million in Q1 2021 compared to \$0.5 million in Q1 2020. The increase of \$1.1 million is due to amortization of intangible assets from acquired companies.
- Net financial expenses amounted to \$0.7 million in Q1 2021, compared to net financial income of \$0.3 million in Q1 2020. The financial expenses in Q1 2021 were due to net change in fair value of future earn-out considerations.
- The Kahoot! Group had assets of \$381.6 million as of 31 March 2021. Non-current assets were \$121.1 million whereof goodwill and intangible assets accounted for \$117.7 million. Current assets were \$260.5 million whereof cash and cash equivalents represented \$253.6 million.
- Total liabilities as of 31 March 2021 amounted to \$94.1 million. Non-current liabilities represented \$18.3 million whereof \$10.1 million is contingent liabilities relating to acquisitions. Current liabilities as of 31 March 2021 were \$75.8 million whereof contract liabilities represented \$30.7 million.
- Equity ratio for the Kahoot! Group as of 31 March 2021 was 75%.
- Cash flow from operations amounted to \$5.4 million in Q1 2021 compared to \$1.1 million in Q1 2020. Cash flow from investing activities amounted to -\$7.5 million in Q1 2021 due to payment for the acquisition of Whiteboard and payment of earn-out consideration for the Drops acquisition.

Forward looking statement

- For the first half year 2021, the Kahoot! Group expects invoiced revenues to exceed \$40 million.
- For the full year 2021, the Kahoot! Group reiterates the ambition to reach \$90-100 million in invoiced revenues with continued solid positive cash flow from operations and one million paid subscriptions.
- The company will continue to explore non-organic growth initiatives.
- In addition, the company will explore the opportunity for a secondary listing during 2021.

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About Kahoot!

Kahoot! is on a mission to make learning awesome! We want to empower everyone, including children, students, and employees to unlock their full learning potential. Our learning platform makes it easy for any individual or corporation to create, share, and play learning games that drive compelling engagement. Launched in 2013, Kahoot!'s vision is to build the leading learning platform in the world. In the last 12 months, 279 million games have been played on the Kahoot! platform with 1.6 billion participating players in more than 200 countries. The Kahoot! family also includes award-winning DragonBox math learning apps, the Poio learn to read app, the Drops language learning apps, the Actimo and Motimate employee engagement and corporate platforms and Whiteboard.fi, the online whiteboard tool for all educators, teachers and classrooms. The Kahoot! Group is headquartered in Oslo, Norway with offices in the US, the UK, France, Finland, Estonia, Denmark and Spain. Let's play!

Financial statements

1. Condensed consolidated interim statement of loss

USD in thousands	Note	Q1 2021	Restated Q1 2020	FY 2020
Revenue from contracts with customers	3	16,182	4,073	30,859
Other operating income	3	-	142	175
Total revenue and other operating income		16,182	4,215	31,034
Cost of sales		1,345	408	3,790
Employee benefit expenses		9,643	2,830	31,625
Other operating expenses		6,371	1,890	11,553
Operating loss before deprec. and amortiz. (EBITDA)		(1,176)	(913)	(15,936)
Amortization of intangible assets		1,394	347	1,897
Depreciation		251	154	685
Operating loss (EBIT)		(2,821)	(1,414)	(18,517)
Financial income		95	142	372
Financial expenses		(46)	(46)	(329)
Net change in fair value of financial instruments		(728)	-	848
Net foreign exchange gains (losses)		(27)	217	(17,510)
Net financial income (expenses)		(706)	314	(16,619)
Loss before income tax		(3,527)	(1,100)	(35,136)
Income tax		(256)	(33)	(656)
Loss for the period		(3,271)	(1,067)	(34,481)
Loss for the period is attributable to:				
Equity holders of Kahoot! ASA		(3,271)	(1,067)	(34,481)
Earnings per share in USD				
Basic earnings per share		(0.01)	(0.00)	(0.09)
Diluted earnings per share		(0.01)	(0.00)	(0.09)

2. Condensed consolidated interim statement of comprehensive loss

USD in thousands	Note	Q1 2021	Restated Q1 2020	FY 2020
Loss for the period		(3,271)	(1,067)	(34,481)
Other comprehensive loss:				
Items that might be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations		(3,771)	110	(325)
Item that are not reclassified to profit or loss:				
Exchange difference on translation to another presentation currency		-	(9,163)	17,413
Total comprehensive loss for the period		(7,043)	(10,120)	(17,392)
Total comprehensive loss is attributable to:				
Equity holders of Kahoot! ASA		(7,043)	(10,120)	(17,392)

3. Condensed consolidated interim balance sheet

USD in thousands	Note	31.03.2021	Restated 31.03.2020	31.12.2020
ASSETS				
Goodwill	2	82,259	16,796	77,745
Intangible assets	2	35,478	7,175	34,373
Property, plant and equipment		416	299	409
Right-of-use assets		2,955	2,458	3,165
Total non-current assets		121,107	26,728	115,692
Trade receivables		3,721	1,254	2,671
Other current assets		3,180	1,143	3,316
Cash and cash equivalents		253,614	33,986	256,120
Total current assets		260,515	36,383	262,108
TOTAL ASSETS		381,622	63,111	377,800
EQUITY AND LIABILITIES				
Share capital	4	5,232	1,231	5,228
Share premium		361,463	77,409	357,383
Share-based payments reserves		7,661	1,883	5,542
Foreign currency translation reserves		(4,146)	60	(375)
Accumulated deficit		(82,644)	(34,530)	(79,373)
Total equity		287,566	46,054	288,406
Lease liabilities		2,098	2,032	2,312
Deferred tax liability		6,062	1,097	5,843
Other non-current liabilities		10,104	-	15,447
Total non-current liabilities		18,265	3,129	23,602
Lease liabilities		958	502	964
Trade payables		2,263	1,040	1,817
Contract liabilities (deferred revenue)		30,655	7,641	27,899
Other current liabilities		41,915	4,744	35,111
Total current liabilities		75,791	13,928	65,791
Total liabilities		94,056	17,057	89,393
TOTAL EQUITY AND LIABILITIES		381,622	63,111	377,800

4. Condensed consolidated interim statement of changes in equity

USD in thousands	Share capital	Share premium	Share-based payments reserves	Translation differences reserves	Accumulated deficit	Total equity
Balance at 1 January 2020	1,473	92,621	2,095	(50)	(40,112)	56,026
Loss for the period	-	-	-	-	(34,481)	(34,481)
Currency translation differences	334	21,480	378	(325)	(4,780)	17,088
Total comprehensive loss for the period	334	21,480	378	(325)	(39,261)	(17,392)
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 at 31 December 2020	5,228	357,383	5,542	(375)	(79,373)	288,406
Loss for the period	-	-	-	-	(3,271)	(3,271)
Currency translation differences	-	-	-	(3,771)	-	(3,771)
Total comprehensive loss for the period	-	-	-	(3,771)	(3,271)	(7,043)
Issuance of shares	4	4,080	-	-	-	4,084
Share option program	-	-	2,119	-	-	2,119
Balance at 31 March 2021	5,232	361,463	7,661	(4,146)	(82,644)	287,566

USD in thousands	Share capital	Share premium	Share-based payments reserves	Translation differences reserves	Accumulated deficit	Total equity
Balance at 1 January 2020	1,473	92,621	2,095	(50)	(40,112)	56,026
Loss for the period	-	-	-	-	(1,067)	(1,067)
Currency translation differences	(242)	(15,212)	(358)	110	6,649	(9,052)
Total comprehensive loss for the period	(242)	(15,212)	(358)	110	5,582	(10,119)
Share option program	-	-	147	-	-	147
Balance at 31 March 2020	1,231	77,409	1,883	60	(34,530)	46,054

5. Condensed consolidated interim statement of cash flows

USD in thousands	Q1 2021	Restated Q1 2020	FY 2020
Cash flows from operating activities			
Loss before income tax	(3,527)	(1,100)	(35,136)
<i>Adjustments for:</i>			
Depreciation and amortization	1,645	501	2,582
Net interest income	(46)	(46)	(329)
Share-based payments expense	2,119	144	3,069
Change in trade and other receivables	(1,123)	(179)	279
Change in contract liabilities (deferred revenue)	2,735	2,527	13,807
Change in trade payables	460	305	591
Change in other current assets and other liabilities	3,083	(1,200)	32,191
Interest received	95	142	372
Net cash flow from operating activities	5,441	1,094	17,426
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	(7,416)	-	(34,227)
Payment for property, plant and equipment	(39)	(68)	(214)
Net cash from investing activities	(7,456)	(68)	(34,441)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	-	(1,057)	241,931
Transaction costs on issuance of ordinary shares	-	-	(10,237)
Repayments of lease liabilities	(213)	(138)	(537)
Paid interest on lease liabilities	(33)	(20)	(78)
Net cash from financing activities	(246)	(1,214)	231,079
Net increase/(decrease) in cash and cash equivalents	(2,261)	(188)	214,064
Cash and cash equivalents beginning of the period	256,120	40,851	40,851
Effects of exchange rate changes on cash and cash equiv.	(246)	(6,677)	1,205
Cash and cash equivalents as of end of period	253,614	33,986	256,120

Notes to the interim consolidated financial statements

Note 1 General accounting policies

Kahoot! ASA (the Company or Kahoot!), the parent company of the Kahoot! Group (the Group) is a public limited liability company incorporated and domiciled in Norway, with its head office in Fridtjof Nansens plass 7, 0160 Oslo. The Company is listed on Oslo Stock Exchange has the ticker “KAHOT”.

The condensed consolidated interim financial statements consist of Kahoot! ASA and its subsidiaries. As a result of rounding differences, numbers or percentages may not add up to the total.

These interim condensed consolidated financial statements for the three months ending 31 March 2021, have been prepared in accordance with IAS 34 Interim Financial Reporting, and authorized for issue by the board of directors on 5 May 2021. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for 2020.

The accounting policies applied (except for the principles applied for the change in functional currency in the parent company as described below) in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2020.

Change in functional currency

As of 1 January 2021, the parent company Kahoot! ASA changed its functional currency from NOK to USD. The indicators of functional currency changed in the second part of 2020. The company had strong growth in the last year and revenue is mainly denominated in USD, while the expenses is mainly denominated in NOK. However, financing has also moved from NOK to USD, evidenced by the contribution in the fourth quarter of 2020 held in USD.

The effect of a change in functional currency is recognized prospectively from the date of change, considered to be 1 January 2021.

Kahoot! ASA translates all items into the new functional currency using the exchange rate at the date of the change. The resulting translated amounts for non-monetary items are treated as their historical cost.

For the translation of equity items to the new functional currency the exchange rate at the date of the change of functional currency are applied. This means that no additional exchange differences arise on the date of the change. For the subsequent changes, equity items will be translated using their transaction date rate.

The comparable figures are not restated.

Note 2 Business combination

Digital Teaching Tools Finland Ltd (Whiteboard.fi)

Digital Teaching Tools Finland Ltd (“Whiteboard.fi”, hereafter referred to as Whiteboard.fi) was acquired by a purchase of 100% of the shares effective from 23 February 2021. Whiteboard.fi, an online whiteboard tool for teachers and classrooms that helps engage students both in the physical classroom and through remote learning was acquired for a total consideration of USD 6 million, in addition to a performance-based element up to USD 6 million depending on Whiteboard’s performance in 2021-2022. The consideration was settled by a combination of cash and 184,892 new Kahoot! ASA Shares at a subscription price of NOK 110.39 per share.

The earn-out relating to Whiteboard.fi is determined based on invoiced revenue targets in 2021 and 2022 subject to EBITDA margin and 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. Present value of the contingent liability (earn-out) relating to the acquisition was recognized at USD 4,314 thousand, of which 2,702 thousand was non-current. The main level three inputs used in assessing the fair value of the earnout is forecast of probability, cashflow and discount rate. The discount rates applied for Whiteboard.fi was 12.8%.

Provisional purchase price allocation - assets acquired and liabilities assumed

The amounts recognized at the date of acquisition in respect of identifiable assets acquired and liabilities assumed are set out in the table below, using the exchange rate as of 23 February 2021 for Whiteboard.fi.

Goodwill from the acquisition of Whiteboard.fi are attributable to synergies and will lead to additional value for the Group’s subscription-based product offering when combined with the Kahoot! products.

Acquisition costs of USD 20 thousand arose as a result of the transaction. These have been recognized as part of other operating expenses in the statement of statement of profit or loss.

Since the acquisition date 23 February 2021, Whiteboard.fi has contributed with USD 79 thousand to the Group’s revenue and positive net income contribution of USD 34 thousand to the Group’s total loss. If the acquisition of Whiteboard.fi had occurred on 1 January 2021, the revenue for the Group would have been USD 16,264 thousand and the Group’s loss would have been USD 3,283 thousand.

USD in thousands	Whiteboard.fi
Purchase consideration	
Cash consideration	3,600
Shares issued	2,402
Contingent liability / earn-out	4,314
Total purchase consideration	10,316
Brand	219
Technology	3,563
Property, plant and equipment	12
Trade and other receivables	16
Cash and cash equivalents	293
Deferred tax liability	(756)
Trade payables and other current liabilities	(301)
Total net identifiable assets acquired at fair value	3,045
Total purchase consideration	10,316
Goodwill	7,270
Net cash outflow arising on acquisition	
Cash consideration	3,600
Less: cash and cash equivalents acquired	293
Total cash consideration	3,307

Note 3 Revenue and segments

The Kahoot! Group has one segment: software to make learning awesome. The market for Kahoot!'s software is global. The chief decision maker will therefore follow up revenue and profitability on a global basis. This is consistent with the internal reporting submitted to the chief operating decision maker responsible for allocating resources and assessing performance as well as making strategic decisions.

USD in thousands	Restated		FY 2020
	Q1 2021	Q1 2020	
Subscription revenue - recognized over time	15,879	3,822	27,746
Sale to schools - recognized at point in time	-	-	2,235
Other revenue - recognized at point in time	182	252	878
Total revenue from contracts with customers	16,061	4,074	30,859
Other operating income	121	141	175
Total revenue and other operating income	16,182	4,215	31,034

Note 4 Equity

Kahoot! ASA 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 2021	446,091,967	44,609,197	5,228,090
Issued during the year	306,510	30,651	3,622
Balance at 31 March 2021	446,398,477	44,639,848	5,231,712

The share capital is fully paid and has a par value of NOK 0.10.

At the Extraordinary General Meeting of Kahoot! ASA on 14 January 2021, the Board of Directors were authorized to increase the share capital by up to NOK 6.7 million through the issuance of up to 67 million new shares 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 in the 2020 Annual Report. The table below shows the development in the Company's share capital in 2021.

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)
24 Feb 21	Share capital increase	12,162	44,621,359	0.10	446,213,585	116.30
9 Mar 21	Share capital increase	18,489	44,639,848	0.10	446,398,477	110.39
27 Apr 21	Share capital increase	110,499	44,750,347	0.10	447,503,471	93.90

Note 5 Shareholder information

Shareholders per 4 May 2021	Shares (m)	%
SoftBank	71.0	15.9 %
Datum Group	52.1	11.6 %
Glitrafjord	40.2	9.0 %
The Bank of New York Mellon	20.8	4.7 %
Creandum III LP	20.0	4.5 %
Citigroup Global Markets Inc.	13.5	3.0 %
Versvik Invest AS	13.0	2.9 %
State Street Bank and Trust Comp	10.7	2.4 %
Newbrott AS	7.6	1.7 %
State Street Bank and Trust Comp	6.3	1.4 %
Gamification AS	5.2	1.2 %
MP Pensjon PK	5.1	1.1 %
Nordnet Bank AB	4.8	1.1 %
Sanden AS	4.3	1.0 %
The Bank of New York Mellon SA/NV	3.5	0.8 %
Adrian AS	3.2	0.7 %
The Bank of New York Mellon SA/NV	3.1	0.7 %
J.P. Morgan Bank Luxembourg S.A.	3.0	0.7 %
J.P. Morgan Bank Luxembourg S.A.	2.9	0.6 %
Skøien AS	2.8	0.6 %
Other	154.6	34.5 %
Total outstanding shares	447.7	100.0 %
Outstanding share options	20.0	
Total no. of shares (fully diluted)	467.7	

Note 6 Related party transactions

There have not been any changes or transactions with any related parties that significantly impact the Group's financial position or results for the period.

Note 7 Events after the balance sheet date

The following events that have significantly affected or may significantly affect the operations of the Group have occurred after 31 March 2021:

- Acquisition of Motimate AS
- Share Capital Increase 27 April 2021 (refer to note 4)

Acquisition of Motimate

Motimate AS ("Motimate") was acquired by a purchase of 100% of the shares effective from 27 April 2021. Motimate, an employee engagement and learning app provider for organizations of all sizes was for a total consideration reflecting an enterprise value (EV) of USD 25 - 27 million on a cash and debt-free basis, including a 2021 performance-based element, representing an approximate 5x multiple on annual recurring revenue (ARR) target for 2021. The consideration was settled by a combination of cash and 1,104,994 new Kahoot! ASA Shares at a subscription price of NOK 93.90 per share.

Preliminary assessment of accounting implications of acquisition of Motimate

The acquisition of Motimate is regarded as a business combination which will be accounted for using the acquisition method in accordance with IFRS 3 Business Combinations. A purchase price allocation (PPA) is being performed to allocate the consideration to fair value of acquired assets and assumed liabilities as of the acquisition date which is 27 April 2021 and will be disclosed in subsequent financial releases by the Group. It is expected that the consideration will be allocated mainly to technology, brand, and goodwill. The acquisition price is USD 25 – 27 million as outlined above.

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