

Kahoot! Group Trading Update - Third Quarter 2021

OSLO, 6 October, 2021 – Kahoot! ASA, (KAHOT) a leading learning platform on a mission to make learning awesome! today announced the Trading Update for its fiscal quarter ended 30 September, 2021.

“During our third quarter the Kahoot! platform realized record-level activity and solid viral growth as societies across the world returned to more normalcy. The quarter was further fueled by strong Back-to-School and work seasons as educators, students and professionals alike embraced both in-person and hybrid models for digital learning. We achieved significant growth in both free and paid usage, resulting in more than 30 million active accounts over the past 12 months and reaching more than 1 million paying subscriptions across all services, resulting in Kahoot! Group invoiced revenues of \$27.5 million in the quarter. We also completed the strategic acquisition of digital learning platform, Clever, positioning Kahoot! to reach even greater audiences and revenue streams in the U.S., the world’s largest K-12 market.” – Eilert Hanoa, CEO of Kahoot!

Third Quarter 2021 - Financial and Operational Highlights

- Continued organic user growth on the Kahoot! platform (over the past 12 months). More than 30 million active accounts, up 41% YoY. 314 million hosted sessions, up 40% YoY. More than 1.9 billion participants (non-unique) globally, up 44% YoY.
- Reached more than 1 million paid subscriptions across all services, up 180% YoY, representing an organic increase from the second quarter of more than 80K, whereof more than 45K on the Kahoot! platform. Per the end of the third quarter, Kahoot! At Work reached 435K paid subscriptions, Kahoot! At School reached 335K paid subscriptions and Kahoot! At Home & Study reached 245K paid subscriptions.
- Invoiced revenue (billings) exceeded \$27.5 million in the third quarter, up 137% YoY, including Clever, which contributed \$5.5 million for the month of September as part of the Kahoot! Group. Excluding Clever, invoiced revenue in the third quarter grew \$10.4 million YoY to \$22 million, up 90%. For the first nine months invoiced revenue grew \$39.4 million YoY to \$67.1 million (including Clever for September), up 142%.
- ARR (Annual Recurring Revenue) of \$124 million, up 288% YoY, whereof Clever contributed with \$44 million from its U.S. ecosystem partners.
- Cash flow from operations (excluding payment of listing and acquisition cost) exceeded \$6.5 million, up 25% YoY, with positive contribution from Clever, and approx. \$17 million for the first nine months, up 66% YoY.
- Cash and cash equivalents as of September 30, 2021, totaled \$206 million whereof \$6 million is cash held for employee withholding tax to be paid in the fourth quarter for exercised employee share options. The Group has no interest-bearing debt.

- The acquisition of 100% of the shares in Clever was completed effective September 1, 2021 for a total consideration reflecting an Enterprise Value (EV) of \$435-500 million, on a cash and debt free basis, including an up to \$65 million 2021-2022 performance-based element. The total consideration will be settled by a combination of approx. 82% cash and 18% Kahoot! shares. At closing a net cash consideration of \$245 million was paid, and 7.3 million Kahoot! consideration shares were issued at a subscription price of NOK 64.77 per share.

Third Quarter 2021 - Strategic and Business Highlights

- Continuous YoY growth across all geographies and business areas. Reaching 1 billion participants (non-unique) on the Kahoot! platform in the U.S. and Canada the last twelve months, up 47% YoY. In the third quarter, U.S. and Canada represented 56% of invoiced revenue (including Clever for September).
- Kahoot! at School saw a strong Back-to-School season with record usage and over 9 million active teachers using Kahoot! last twelve months, up more than 30% YoY, in addition to having reached 10,000 schools and districts on paid subscriptions during the quarter.
- Kahoot! at Work further strengthened its Kahoot! 360 offering to support professionals in the hybrid workplace through new features and implementation of [integration with Zoom](#), making virtual meetings more engaging. Closed the largest enterprise contracts to date for the Work segment, while further integrating Actimo and Motimate, accelerating the building of next generation tools for employee learning, engagement and corporate culture building and laying the foundation for further growth in Q4.
- Strengthening the learning & development offering by launching [Kahoot! Courses](#), a new opportunity for both professionals and educators to develop cohesive learning experiences, adding additional value to the Kahoot! 360 product offering.
- Kahoot! At Home offerings further enriched back-to-school and accelerated the localisation of Kahoot!'s platform and app, making them [available in 11 languages](#) including our first Asian language, Japanese. Launched [new social features](#) in language learning app Drops. All of this is enabling Kahoot! to reach new global markets across business areas.
- [Completed the transformational acquisition of](#) Clever, positioning Kahoot! for further expansion in the U.S. K-12 segment. The Kahoot! App made available on the Clever platform; with more than 22 million monthly active students and 1.4 million monthly active teachers. Clever further enhanced its network through the launch of teacher/student messaging and parent access.

Highlights reflect development since June 30, 2021 through today's announcement. For additional information, see the attached update letter from Eilert Hanoa, CEO of Kahoot!

Full Year 2021 Outlook

For the full year 2021, the Kahoot! Group reiterates the ambition to reach \$90-100 million in invoiced revenue, up from \$45 million in 2020, with continued solid positive cash flow from operations, and to reach 1.1 million paid subscriptions. In addition, Clever Inc, which is now part of the Kahoot! Group, is expected to exceed \$15 million in invoiced revenue for the four-month period from September till December 2021, and exceed \$46 million in invoiced revenue for the full year 2021, implicating 27% YoY growth.

For the fourth quarter 2021, the Kahoot Group expects invoiced revenue to exceed \$39 million with more than \$29 million from the Kahoot! Group (excluding Clever) and more than \$10 million from Clever, with continued solid positive cash flow from operations.

As previously communicated, and following the completion of the Clever transaction, the Company is exploring the opportunity for a secondary listing, and expecting to conclude the assessment before the end of Q1 2022.

The information contained in this statement has not been audited and may be subject to change. Please see Kahoot! News on kahoot.com/news to stay up to date on company news and updates.

The full third quarter 2021 report is scheduled for release on November 4, 2021.

An update from Eilert Hanoa, CEO of Kahoot!

We are pleased to share that Kahoot! saw record-level activity on our platform as well as strong financial performance in the third quarter. Kahoot! experienced continued strong momentum in both returning and new users, as well as reaching new milestones with more than 30 million active accounts, 1.9 billion participants (non-unique) and more than 1 million paid subscriptions, in the last twelve months. Invoiced revenue for the Kahoot! Group exceeded \$27.5 million in the quarter and we continued to demonstrate the scalability and operating leverage of the Kahoot! platform with solid cash conversion.

As we continue into the seasonally stronger second half of the year given the Back-to-School and work seasons, the third quarter showed continued strong user activity through our web offerings, which represents the leading source of revenue while also seeing increased diversification through growing app adoption across our portfolio, with millions of new sign-ups every month.

We are proud of our entire team, who successfully executed during our busiest Back-to-School and Back-to-Work seasons so far, as societies around the world returned to more normalcy.

Fueling our viral growth through innovation, acquisitions and commercialization

We saw accelerated activity on the Kahoot! platform for new and existing users and paid subscriptions, as people returned to schools and offices in varying capacities. Kahoot!'s unique viral growth has reached a new milestone with 6 billion cumulative participants (non unique) across 200 countries and regions. We meaningfully expanded our reach and significance through the launch of new features, partnerships, and continued localization of our platform, as well as progressing our commercialization initiatives for all user segments.

A milestone in Q3 was the [completion of the transformational acquisition of Clever](#), one of the most widely used digital learning platforms for U.S. K-12 schools. The acquisition will add value to Kahoot!'s strong presence in the U.S. education sector, and we are already seeing great effects as the Kahoot! App was recently added to Clever's distribution platform and is now available to over 90,000 schools and accessed by over 22 million students monthly. Clever's higher-than-expected growth in the third quarter has created a solid foundation for solid performance through the balance of the year and into 2022, and a strong basis for our ambitions to extend Clever's platform into new domestic markets sectors in the U.S. and select international markets, as well as jointly developing a compelling marketplace proposition for all learning apps.

A strong 2021 Back-to-School season

Through the Back-to-School season, Kahoot! noted a new record with more than 9 million teachers and educators on the platform (last 12 months) and hundreds of millions of students globally, bringing more engagement and learning to the classroom. Over 10,000 schools and districts upgraded to paying accounts on the platform in preparation for the 2021 back-to-school year. Encouragingly, over 40,000 educators registered for the Kahoot! Fall EDU Meetup in September, and Kahoot! was named one of the top 10 products used by students and educators across the U.S. on the [EdTech 40 list by Learn Platform](#) alongside Google, Zoom and Clever.

To further enable educators, we launched [Kahoot! Courses](#), allowing educators to design full class sessions, as well as the [new team mode](#), which helps foster and strengthen students' collaboration skills. Earlier in the summer we were delighted to launch an [integration with GIPHY](#).

Back to the office, and embracing the hybrid workplace

The third quarter saw a steady return to offices and while these have welcomed back employees physically, they have begun to embrace hybrid models. In [our recent survey](#), 84% of HR leaders said the adoption of collaboration and employee engagement technologies will increase over the next year in their organizations. Kahoot! 360, our offering for organizations, is well positioned to support professionals in navigating the new workplace dynamics. Our latest [integration with Zoom](#) enables professionals to make their virtual meetings more engaging and productive with Kahoot! without even leaving the Zoom interface.

During the third quarter, Kahoot! at Work closed some of the most significant contracts to date, including a leading European pharmaceutical group, and large organizations across the technology, financial services, insurance and global logistics industries. As we continue to integrate Actimo and Motimate onto our platform, we are further accelerating the building of next generation tools for employee learning, engagement and corporate culture building. We continue to invest and focus on increasing the value for enterprise customers in the coming quarters.

Strengthening Kahoot! Academy with Marketplace in Q4

Kahoot! Academy continued to grow and develop in a quarter where we saw the community reaching close to 5,000 verified educators and 50+ content partners. We're particularly excited about the upcoming launch of Kahoot! Academy's Marketplace during Q4, which will enable educators to create, share and commercially offer their quality content for the benefit of learners and educators.

Marketplace will be bolstered with the addition of the newly launched Kahoot! Courses, a product offering where we see endless possibilities for both educators and professionals to create cohesive, engaging learning experiences.

These additions follow the launch of Kahoot! Academy Community, a bespoke offering for Verified Educators, enabling them to grow their own community to share their unique knowledge and insight with a captive audience.

Making Kahoot! more global than ever

Kahoot! continues to expand geographically to make our platform even more accessible. As of today, Kahoot!'s web platform and app are [available in 11 global languages](#), and we look forward to launching in Arabic and simplified Chinese soon. In addition, we recently launched our award-winning Kahoot! Poio Read app in [French and Brazilian Portuguese](#).

Our language learning app, Drops, too, launched some timely new social features [adding Friends functionalities and Workplace talk to the app](#).

This quarter we were also pleased to announce a new collaboration with one of the most successful and enduring brands of all time, [Star Wars™](#). Kahoot! Academy has launched ready-to-use learning kahoots based on beloved *Star Wars* characters. This is in addition to campaigns with several large publishers such as the World Wildlife Fund, Disney and Pixar, Star Wars, Angry Birds, First News Education, Macmillan education, Disney Imagination Campus and Khan Academy.

A solid foundation for what's to come!

Kahoot!'s strong third quarter results are driven by our ability to capitalize on the solid foundation built through our scalable platform as well as strategic acquisitions. At the same time enhancements, including innovative product and feature launches across our business areas, and exciting global partnerships have contributed to the strong expansion of new users and paid subscribers as we continue to drive our commercialization initiatives. In this

quarter we have, for the first time, reached one billion participants (non-unique) in North America over the last twelve months, representing 56% of invoiced revenue (including Clever's contribution for the month of September).

With this solid foundation established, we are incredibly excited to continue to work on accomplishing our mission! In the final quarter of the year, we expect continued interest in Kahoot!'s products and services as the market for EdTech and employee engagement continues to grow and develop globally. After a strong Back-to-School this quarter, we are particularly excited and ambitious to continue realizing the potential of our Kahoot! at Work offering in the coming quarters. We have some great launches in store to contribute to an exciting year-end, too, including Math Labs from DragonBox, a math offering for schools; Kahoot! Kids, a tailored Kahoot! experience for young learners; Kahoot! 360 Engage, the next generation engagement for video conferencing; and lots more!

As evidenced in the third quarter, we at Kahoot! continues to execute our strategic imperative to add capabilities that promote user growth and monetization of our platform. In a fast-growing market, Kahoot! remains well positioned with a strong product portfolio, scalable platform, viral distribution model, growing user base, and a talented, passionate team - committed to deliver great results in 2021.

Thank you for your continued interest and support of Kahoot! and our mission to make learning awesome!

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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 host learning sessions 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, 300 million sessions have been hosted on the Kahoot! platform by 30 million active accounts, with 1.9 billion participants (non-unique) in more than 200 countries and regions. The Kahoot! Group also includes Clever, the leading US K-12 EdTech learning platform, together with the learning apps DragonBox, Poio, Drops, Actimo, Motimate, and Whiteboard.fi. The Kahoot! Group is headquartered in Oslo, Norway with offices in the US, the UK, France, Finland, Estonia, Denmark and Spain. Kahoot! is listed on the Oslo Stock Exchange under the ticker KAHOT.

Let's play!