

Kahoot! Group

Q3 2021 Report

Kahoot! Group Reports Third Quarter 2021 Financial Results

OSLO, 4 November 2021 – Kahoot! ASA, (KAHOT) today announced financial results for its fiscal quarter ended 30 September 2021, in-line with the main numbers presented on the trading update 6 October 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 \$27.8 million in the quarter. Kahoot! continued the YoY growth in Q3 in all regions and within the Work, School and Home & Study categories. We also completed the strategic acquisition of digital learning platform, Clever, positioning Kahoot! to reach even wider audiences and greater revenue streams.” – 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) reached \$27.8 million in the third quarter, up 139% YoY, including Clever, which contributed \$5.7 million for the month of September as part of the Kahoot! Group. Excluding Clever, invoiced revenue in the third quarter grew \$10.5 million YoY to \$22.1 million, up 90%. For the first nine months invoiced revenue grew \$39.7 million YoY to \$67.5 million (including Clever for September), up 143%.
- ARR (Annual Recurring Revenue) of \$124 million, up 288% YoY, whereof Clever contributed with \$44 million from its U.S. ecosystem partners.
- Total revenue and other operating income of \$23.7 million, up 162% YoY. For the first nine months total revenue and other operating income grew \$40.2 million YoY to \$58.2 million, up 223%.
- Adjusted EBITDA (excluding share-based compensation expenses and related payroll taxes, acquisition related expenses and listing cost) of \$6.0 million, representing 25% adjusted EBITDA margin. For the first nine months adjusted EBITDA grew \$13.3 million YoY to \$13.8 million.
- Cash flow from operations (excluding payment of listing and acquisition cost, and cash effects related to share-based compensation) of \$7.4 million, up 38% YoY, with positive contribution from Clever, and \$17.8 million for the first nine months, up 71% YoY.

- Cash and cash equivalents as of 30 September 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 as of 1 September 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.

“With strong performance also in our third quarter Kahoot! has delivered eight consecutive quarters of invoiced revenue growth exceeding 100% YoY. This quarter also demonstrates the scalability of our platform as well as positive initial synergies from five acquisitions over the last 12 months with an all-time-high adjusted operational cash flow of \$7.4 million, up 38% YoY, representing 31% cash margin of operating revenue” – Ken Østreng, CFO of Kahoot!

Alternative Performance Measures

In order to enhance the understanding of the Kahoot! 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, Monthly Recurring Revenue (MRR), Annual Recurring Revenue (ARR), EBITDA, adjusted EBITDA, adjusted cash flow from operations and equity ratio. These APMs 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	Q3 2021 ⁶	Restated ⁷ Q3 2020	YTD 2021 ⁶	Restated ⁷ YTD 2020	Restated ⁷ FY 2020
Total revenue and other operating income	23.7	9.0	58.2	18.0	29.5
Cost of sales ¹	1.3	1.4	4.4	2.4	3.8
Employee benefit expenses ²	8.7	3.2	21.4	8.6	14.4
Other operating expenses ³	7.6	2.3	18.7	6.4	10.6
Total operating expenses	17.7	6.9	44.5	17.5	28.7
Adjusted EBITDA	6.0	2.2	13.8	0.5	0.8
Share based compensation expenses	2.8	0.5	6.7	1.1	3.1
Payroll tax share based compensation	1.4	2.5	(4.5)	4.8	14.2
Acquisition transaction and listing cost	3.3	-	6.3	-	1.0
EBITDA	(1.6)	(0.9)	5.3	(5.3)	(17.5)
Invoiced revenue	27.8	11.6	67.5	27.7	45.3
ARR end of period	124.0	32.0	124.0	32.0	60.0
Adjusted EBITDA margin	25.2 %	23.9 %	23.7 %	2.9 %	2.6 %
Cash flow from operating activities ⁴	7.4	5.4	17.8	10.4	17.4
Cash and cash equivalents end of period ⁵	206.4	72.5	206.4	72.5	256.1

¹ Cost of sales are third-party sales and distribution cost.

² Employee benefit expenses include regular operational payroll and employee related benefit expenses. Calculated share-based payment expenses and related payroll taxes for the Group's share option program are not included.

³ Other operating expenses not including acquisition-related expenses and listing cost.

⁴ Q3 2021 adjusted for \$1.8 million cash outflow for expenses to acquisition and listing cost, and for \$6.5 million cash inflow held for employee withholding tax to be paid in the fourth quarter for exercised employee share options.

⁵ Includes per third quarter 2021 \$6.5 million cash held for employee withholding tax to be paid in the fourth quarter for exercised employee share options.

⁶ Includes Clever from 1 September 2021.

⁷ The Group has updated the model for estimating the recognition of revenue over time (deferred revenue). Please see note 1 and 8 to the interim consolidated financial statements.

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.
- Adjusted cash flow from operating activities is defined as cash flow from operating activities adjusted for cash outflow for acquisition and listing cost and cash effects related to share based payment.
- Equity ratio is defined as total equity divided by total assets.

Financial Review

- Comparable 2020 numbers are restated for change in accounting estimates for deferred revenue, please see note 1 and 8 to the interim consolidated financial statements.
- Total revenue and other operating income of \$23.7 million for the third quarter 2021, compared to \$9.0 million for the third quarter 2020, up 162% YoY. The increase of \$14.6 million was driven by strong growth in number of paid subscriptions for the Group's products and contribution from acquired units. Clever is included from 1 September 2021. For the first nine months 2021, total revenue and other operating income amounted to \$58.2 million, up from \$18.0 million for the corresponding period of 2020, representing 223% YoY growth.
- Employee benefit expenses include regular operational payroll and employee related benefit expenses, and in addition, calculated share-based payment expenses and related payroll taxes for the Group's share option program. Total employee benefit expenses amounted to \$12.9 million for the third quarter 2021, up \$6.7 million YoY. The operational payroll and employee related benefit expenses (excluding calculated share-based payment expenses and related payroll taxes) were \$8.7 million in the third quarter 2021. For the first nine months 2021, total employee benefit expenses were \$23.6 million compared to \$14.5 million for the corresponding period of 2020. The operational payroll and employee related benefit expenses (excluding calculated share-based payment expenses and related payroll taxes) were \$21.4 million for the first nine months 2021. Number of full-time employee equivalents were 415 by the end of the third quarter 2021.
- EBITDA amounted to -\$1.6 million for the third quarter 2021 compared to -\$0.9 million for the third quarter 2020. For the first nine months 2021, EBITDA was \$5.3 million compared to -\$5.3 million for the corresponding period of 2020. EBITDA adjusted for share-based compensation expenses and related payroll taxes, acquisition-related expenses and listing cost preparations, was \$6.0 million for the third quarter 2021, compared to \$2.2 million for the third quarter 2020. For the first nine months 2021, EBITDA adjusted for share-based

compensation expenses and related payroll taxes, acquisition-related expenses and listing cost preparations was \$13.8 million compared to \$0.5 million for the corresponding period 2020.

- Depreciation and amortization expenses amounted to \$2.8 million for the third quarter 2021 compared to \$0.5 million for the third quarter 2020. The increase of \$2.3 million is due to amortization of intangible assets from acquired companies. For the first nine months 2021, depreciation and amortization expenses were \$6.5 million compared to \$1.5 million for the corresponding period 2020.
- Net financial income amounted to \$1.8 million for the third quarter 2021, compared to net financial expense of \$0.4 million for the third quarter 2020. The financial income for the third quarter 2021 were affected by net change in fair value of future performance-based considerations related to acquisitions. For the first nine months 2021, net financial income amounted to \$0.4 million compared to \$0.6 million net financial expense for the corresponding period of 2020.
- The \$0.5 million positive effect from income tax for the third quarter 2021 is due to tax effect on amortization of intangible assets. The positive effect from income tax for the first nine months 2021 was \$1.1 million.
- During the first nine months of 2021, total assets increased by \$537.6 million to \$915.7 million. The increase was primarily attributable to acquisitions. Per the first nine months 2021, non-current assets were \$691.4 million, up from \$115.7 million by the end of 2020. The increase is attributable to goodwill and intangible assets from the acquisitions of Clever, Motimate and Whiteboard.fi. Current assets were \$224.4 million whereof cash and cash equivalents represented \$206.4 million.
- Total liabilities first nine months increased by \$267.4 million to \$359.4 million per the end of the third quarter, whereof deferred tax liability represents \$48.0 million, contract liabilities (deferred revenue) \$54.5 million. Deferred and contingent consideration for acquisitions amounts to \$223.1 million (whereof \$44.7 million are non-current) to be settled in combination of shares and cash.
- Equity ratio per the end of the third quarter 2021 was 61%.
- Cash flow from operations for the third quarter was \$12.1 million compared to \$5.4 million for the third quarter 2020. Adjusted cash flow from operations in the third quarter was \$7.4 million (adjusted for \$1.8 million cash outflow for expenses to acquisition and listing cost, and for \$6.5 million cash inflow held for employee withholding tax to be paid in the fourth quarter for exercised employee share options). For the first nine months 2021, cash flow from operations was \$20.9 million compared to \$10.4 million for the corresponding period of 2020. Adjusted cash flow from operations for the first nine months 2021 was \$17.8 million, up 71% YoY.
- Cash flow from investing activities amounted to -\$245.8 million in the third quarter 2021 due to payment for the acquisition of Clever. For the first nine months 2021, cash flow from investing activities was -\$265.3 million which includes the acquisitions of Motimate, Whiteboard and Clever.

Market Environment

As societies return to some level of normalcy after the disruption of the Covid-19 pandemic, the Kahoot! platform continues to experience strong organic performance, predicated on the viral growth that has defined Kahoot!'s journey and success to date. We continue to see strong underlying growth, as well as steadily expanding use cases for our software solutions and learning platform, across all our business areas through Q3 and with good momentum into Q4.

The continued growth has also sustained and accelerated for Clever, Kahoot!'s most recently acquired company, a single sign-on portal for teachers and students and one of the most widely-used digital learning platforms by U.S. K-12 schools. Clever's continued growth is particularly encouraging for Kahoot! but also for the industry, with Clever representing one of the most used gateways to hundreds of the most popular EdTech apps across the U.S. K-12 schools, including solid growth in usage of 18% of the top 100 apps on its platform in Q3, compared to the strong Q3 2020.

Ultimately, with Kahoot!'s versatile software platform applicable to an array of business segments and user preferences and increasingly diverse portfolio of learning products, our strong performance both pre-, during- and post-pandemic and the encouraging performance that Clever represents indicating a strong demand for EdTech solutions, we consider Kahoot! to be optimally positioned to continue its viral, scalable and commercial growth into the coming quarters and beyond.

Third Quarter 2021 - Strategic and Business Highlights

The Kahoot! platform has experienced continuous YoY growth across all geographies and business areas. Reaching 1 billion participants (non-unique) 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 (from 1 September 2021).

- 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 and localization of Kahoot!'s platform and app accelerated, making them [available in 11 languages](#) including our first Asian language, Japanese. Launched [new social features](#) in language learning app Drops, 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.

Kahoot! Business Areas

Kahoot! at Work

Used by 97% of Fortune 500 companies, Kahoot! at Work occupies a bespoke space at the intersection of employee engagement, corporate learning, training and culture building. The business area's main offering *Kahoot! 360 Spirit* is uniquely complemented by the apps *Motimate* and *Actimo*, offering an engaging mobile learning platform and a customizable frontline worker app respectively. During Q3, Kahoot! at Work continued to develop its portfolio in particular through the launch of *Team mode* and *Courses*. As evidenced in the findings of the recently published *Kahoot! 2021 Workplace Culture Report*, HR professionals acknowledge that collaboration tools will continue to gain importance. The Kahoot! at Work business area stands optimally positioned to respond to these needs with a diverse portfolio of solutions and plans that deliver the elements to support thriving corporate cultures now, and in the future of work.

Kahoot! at Home

Spearheaded by the Kahoot!+ offering, encompassing award-winning Kahoot! DragonBox and Poio apps, Kahoot!'s ad-free platform and apps enables families, students and children to connect and learn in an engaging way at home, either through self-study or family fun. In Q3, Kahoot! became more accessible than ever through its availability in 11 languages. *Poio*, the explorative learn-to-read app, also extended its reach further as it was translated into French and Brazilian Portuguese. Additionally, DragonBox's *MathLabs* represents an exciting new addition to the segment's offering, while its Numbers app was named on *Parents' "Best Learning Apps for Kids"* list for the second year in a row. The Kahoot! at Home category is poised to begin an accelerated phase of its development with the pending launch of *Kahoot! Kids*, a tailor-made experience for young learners and parents, and *Kahoot! Study*, set to re-imagine how higher-ed students enjoy effective study.

Kahoot! at School

Educators across the world make learning awesome with Kahoot! by tapping into the vast, inherent potential for playful education experiences to unlock every student's learning potential. During this Back-to-School season the *Kahoot! at School* category enabled more than 9 million teachers LTM to educate hundreds of millions of students globally, whilst *Kahoot! EDU* continued to gain traction, reaching 10,000 schools and districts on paid subscriptions. This momentum is particularly encouraging when taken in context with the pivot to post-pandemic normalcy as EdTech solutions retain and gain added relevance. Additionally, new Team mode stands to further develop students' collaboration skills through in-class and virtual learning settings, with *Courses* bolstering the already considerable opportunities to maximize student engagement through diverse content formats.

Kahoot! Academy

Kahoot! Academy is a global knowledge platform, online community and marketplace which enables anyone to access premium learning content and high-quality learning resources produced and curated by verified publishers and content creators. Kahoot! Academy served high-quality curated content to more than 30 million participating players monthly in Q3, also adding world-renowned brands to its list of premium partners, among them one of the most enduring brands of all time, *Star Wars™*. Kahoot! Academy is set to welcome new globally influential partners, in addition to launching *Kahoot! Academy Marketplace*, where Verified educators can monetize their exclusive learning content, share it for free or benefit from the commission-free donation option. Made possible by the singular viral growth and scale of the

Kahoot! brand and platform, these developments serve to strategically position Kahoot! to reach a captive and vast global market of educators and learners.

Clever

Born of the desire to save valuable time in the classroom and afford more space for innovative teaching and learning, Clever is a single sign-on portal for teachers and students, and one of the most widely used digital learning platforms by the U.S. K-12 schools. A milestone for the Kahoot! Group in the third quarter was to complete the acquisition of Clever. The potential represented in the acquisition was apparent as the Kahoot! App and Kahoot! EDU were made available on the Clever platform, quickly becoming the most popular app amongst the platform's 22M+ monthly active students and 1.4M monthly active teachers. Clever continued to innovate during the quarter, adding parent/teacher messaging, enabling parents and teachers to communicate seamlessly. Clever and Kahoot! continue to explore synergies and possibilities, with Kahoot! seeking to expand its considerable footprint across K12 schools in the U.S. and Canada. Similarly, efforts will continue to realize the vast potential for Clever to leverage Kahoot!'s global viral footprint to deliver its platform to educators globally.

Full Year 2021 Outlook

- For the full year 2021, the Kahoot! Group expects to exceed \$107 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. The invoiced revenue contribution from Clever is included in the full year 2021 invoiced revenue expectation and expected to exceed \$16 million for the four-month period from September till December 2021. Clever is expected to exceed \$47 million in invoiced revenue for the full year 2021, implicating 29% YoY growth.
- For the fourth quarter 2021, the Kahoot Group expects invoiced revenue to exceed \$40 million with more than \$29 million from the Kahoot! Group (excluding Clever) and more than \$11 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 report 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.

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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!**

Kahoot! platform usage development

Overview of active accounts, hosted sessions, and participants (non-unique) on the Kahoot! platform ² last twelve months per end of quarter:

(Numbers in millions)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Active accounts LTM	16.8	20.3	21.5	24.8	28.2	29.0	30.3
USA and Canada	8.6	9.5	9.6	11.2	12.2	12.8	13.1
Europe	5.1	6.5	6.7	7.4	8.9	8.8	9.3
Asia Pacific	1.6	2.1	2.4	2.6	2.8	2.7	3.2
Latin America and The Caribbean	0.9	1.4	1.8	2.4	2.9	3.2	3.2
Africa, The Middle East, and India	0.5	0.8	0.9	1.2	1.4	1.4	1.4
<i>By category ¹:</i>							
Work	0.3	0.4	0.5	0.5	0.6	0.5	0.6
School	6.0	6.4	6.9	7.6	8.3	8.7	9.1
Home & Study	10.4	13.5	14.2	16.7	19.3	19.7	20.6
Hosted sessions LTM	217.6	210.2	223.8	250.5	278.9	303.5	314.2
USA and Canada	110.3	97.8	101.8	115.6	129.3	146.3	149.1
Europe	64.5	64.3	66.2	71.9	80.3	84.5	88.4
Asia Pacific	22.0	23.3	24.6	25.5	26.4	26.8	30.7
Latin America and The Caribbean	12.7	14.7	18.6	22.6	26.6	29.7	29.7
Africa, The Middle East, and India	8.0	10.0	12.5	14.8	16.4	16.2	16.3
<i>By category ¹:</i>							
Work	2.7	2.7	3.1	3.9	4.6	4.6	4.9
School	79.0	68.7	76.9	94.3	112.3	129.6	134.0
Home & Study	135.9	138.8	143.8	152.2	162.0	169.3	175.3
Participants (non-unique) LTM	1,305	1,245	1,339	1,492	1,619	1,855	1,927
USA and Canada	742	655	683	760	818	973	1,005
Europe	344	347	360	392	423	472	493
Asia Pacific	126	128	143	152	160	171	191
Latin America and The Caribbean	59	73	99	124	148	168	168
Africa, The Middle East, and India	34	42	54	65	69	70	70
<i>By category ¹:</i>							
Work	19	20	23	28	31	32	35
School	877	812	880	1,006	1,135	1,341	1,381
Home & Study	409	413	436	459	453	481	510

¹ Category is based on account registration data.

² All user data from the Kahoot! platform not including other services in the Kahoot! Group.

Kahoot! Group paid subscription development

(Numbers in thousands)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Paid subscriptions	202	270	360	675	760	933	1,015
Work	83	100	105	245	255	403	435
School	91	125	180	230	275	295	335
Home & Study	28	45	75	200	230	234	245

¹ Including acquired units from time of acquisition. Actimo were included with 125K in Q4 2020, Drops with 100K in Q4 2020, Whiteboard with 7K in Q1 2021 and Motimate with 130K in Q1 2021.

Financial statements

1. Condensed consolidated interim statement of profit or loss

USD in thousands	Note	Q3 2021	Restated Q3 2020	YTD 2021	Restated YTD 2020	Restated FY 2020
Revenue from contracts with customers	3	23,650	9,030	57,994	17,888	29,328
Other operating income	3	-	-	249	144	175
Total revenue and other operating income		23,650	9,030	58,244	18,032	29,502
Cost of sales		1,348	1,367	4,400	2,434	3,790
Employee benefit expenses		12,928	6,240	23,587	14,515	31,625
Other operating expenses		10,940	2,279	24,985	6,428	11,553
Operating profit/(loss) before deprec. and amortiz. (EBITDA)		(1,567)	(856)	5,272	(5,345)	(17,467)
Amortization of intangible assets		2,433	360	5,602	1,036	1,897
Depreciation		364	163	892	465	685
Operating profit/(loss) (EBIT)		(4,364)	(1,379)	(1,222)	(6,846)	(20,048)
Financial income		173	42	498	256	372
Financial expenses		(47)	(14)	(142)	(195)	(329)
Net change in fair value of financial instruments		3,031	-	1,710	-	848
Net foreign exchange gains (losses)		(1,332)	(379)	(1,622)	(618)	(17,510)
Net financial income (expenses)		1,825	(351)	444	(557)	(16,619)
Profit/(loss) before income tax		(2,539)	(1,730)	(778)	(7,403)	(36,668)
Income tax		(473)	(27)	(1,067)	(91)	(656)
Profit/(loss) for the period		(2,066)	(1,703)	289	(7,311)	(36,012)
Profit/(loss) for the period is attributable to:						
Equity holders of Kahoot! ASA		(2,066)	(1,703)	289	(7,311)	(36,012)
Earnings per share in USD						
Basic earnings per share		(0.00)	(0.00)	0.00	(0.02)	(0.09)
Diluted earnings per share		(0.00)	(0.00)	0.00	(0.02)	(0.09)

Condensed consolidated interim statement of comprehensive income or loss

USD in thousands	Q3 2021	Restated Q3 2020	YTD 2021	Restated YTD 2020	Restated FY 2020
Profit/(loss) for the period	(2,066)	(1,703)	289	(7,311)	(36,012)
Other comprehensive income/(loss):					
Items that might be subsequently reclassified to profit or loss:					
Exchange differences on translation of foreign operations	(3,474)	(646)	(7,154)	(536)	(325)
Item that are not reclassified to profit or loss:					
Exchange difference on translation to another presentation currency	-	4,982	-	(4,181)	17,413
Total comprehensive income/(loss) for the period	(5,540)	2,632	(6,865)	(12,029)	(18,924)
Total comprehensive income/(loss) is attributable to:					
Equity holders of Kahoot! ASA	(5,540)	2,632	(6,865)	(12,029)	(18,924)

2. Condensed consolidated interim balance sheet

USD in thousands	Note	30.09.2021	Restated 31.12.2020
ASSETS			
Goodwill	2	507,787	77,757
Intangible assets	2	179,773	34,373
Property, plant and equipment		750	409
Right-of-use assets		3,048	3,165
Total non-current assets		691,357	115,704
Trade receivables		13,371	3,157
Other current assets		4,584	3,173
Cash and cash equivalents ¹		206,403	256,120
Total current assets		224,357	262,451
TOTAL ASSETS		915,715	378,155
EQUITY AND LIABILITIES			
Share capital	4	5,669	5,228
Share premium		627,226	357,383
Share-based payments reserves		11,984	5,542
Foreign currency translation reserves		(7,192)	(375)
Accumulated deficit		(81,331)	(81,620)
Total equity		556,357	286,159
Lease liabilities		2,169	2,312
Deferred tax liability		47,950	5,843
Other non-current liabilities		44,689	15,447
Total non-current liabilities		94,807	23,602
Lease liabilities		999	964
Trade payables		3,921	1,817
Contract liabilities (deferred revenue)		54,497	30,501
Other current liabilities		205,132	35,111
Total current liabilities		264,550	68,393
Total liabilities		359,357	91,996
TOTAL EQUITY AND LIABILITIES		915,715	378,155

¹ includes \$6.5 million held for employee withholding tax to be paid in the fourth quarter for exercised employee share options.

3. Condensed consolidated interim statement of changes in equity

USD in thousands	Share capital	Share premium	Share-based payment reserves	Translation differences reserves	Accum. deficit	Total equity
Balance at 1 January 2020 (As reported)	1,473	92,621	2,095	(50)	(40,112)	56,026
Correction of opening balance (note 8)					(716)	(716)
Balance at 1 January 2020 (Restated)	1,473	92,621	2,095	(50)	(40,828)	55,311
Profit/(loss) for the period	-	-	-	-	(36,012)	(36,012)
Currency translation differences	334	21,480	378	(325)	(4,780)	17,088
Total comprehensive income/(loss) for the period	334	21,480	378	(325)	(40,792)	(18,924)
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 (Restated)	5,228	357,383	5,542	(375)	(81,620)	286,159
Profit/(loss) for the period	-	-	-	-	289	289
Currency translation differences	-	-	(337)	(6,817)	-	(7,154)
Total comprehensive income/(loss) for the period	-	-	(337)	(6,817)	289	(6,865)
Issuance of shares	441	278,230	-	-	-	278,671
Transaction costs on equity issues	-	(8,387)	-	-	-	(8,387)
Share option program	-	-	6,779	-	-	6,779
Balance at 30 September 2021	5,669	627,226	11,984	(7,192)	(81,331)	556,357

USD in thousands	Share capital	Share premium	Share-based payment reserves	Translation differences reserves	Accum. deficit	Total equity
Balance at 1 January 2020 (As reported)	1,473	92,621	2,095	(50)	(40,112)	56,026
Correction of opening balance (note 8)	-	-	-	-	(716)	(716)
Balance at 1 January 2020 (Restated)	1,473	92,621	2,095	(50)	(40,828)	55,311
Profit/(loss) for the period	-	-	-	-	(7,311)	(7,311)
Currency translation differences	(171)	(6,742)	(148)	(536)	2,880	(4,717)
Total comprehensive income/(loss) for the period	(171)	(6,742)	(148)	(536)	(4,432)	(12,029)
Issuance of shares	2,911	25,836	-	-	-	28,748
Transaction costs on equity issues	-	(815)	-	-	-	(815)
Share option program	-	-	1,066	-	-	1,066
Balance at 30 September 2020 (Restated)	4,213	110,900	3,013	(588)	(45,259)	72,280

4. Condensed consolidated interim statement of cash flows

USD in thousands	Q3 2021	Restated Q3 2020	YTD 2021	Restated YTD 2020	Restated FY 2020
Cash flows from operating activities					
Profit/(loss) before income tax	(2,539)	(1,730)	(778)	(7,403)	(36,668)
<i>Adjustments for:</i>					
Paid taxes	(6)	-	(6)	-	-
Depreciation and amortization	2,797	523	6,494	1,501	2,582
Net interest income	(47)	(14)	(142)	(195)	(329)
Share-based payments expense	2,846	538	6,754	1,066	3,069
Change in trade and other receivables	(270)	(377)	(2,221)	203	(207)
Change in contract liabilities (deferred revenue)	3,687	2,562	8,972	9,676	15,694
Change in trade payables	258	382	1,283	306	591
Change in other current assets and other liabilities	5,175	3,504	77	5,033	32,322
Interest received	173	42	498	256	372
Net cash flow from operating activities	12,075	5,429	20,931	10,442	17,426
Cash flows from investing activities					
Payment for acquisition of subsidiary, net of cash acquired	(245,185)	-	(264,575)	-	(34,227)
Payment for intangible assets	(561)	-	(561)	-	-
Payment for property, plant and equipment	(73)	(73)	(156)	(164)	(214)
Net cash from investing activities	(245,819)	(73)	(265,292)	(164)	(34,441)
Cash flows from financing activities					
Proceeds from issuance of ordinary shares	819	(6,443)	204,856	26,105	241,931
Transaction costs on issuance of ordinary shares	-	(367)	(8,166)	(1,182)	(10,237)
Repayments of lease liabilities	(258)	(88)	(701)	(361)	(537)
Paid interest on lease liabilities	(29)	(96)	(90)	(58)	(78)
Net cash from financing activities	531	(6,994)	195,899	24,504	231,079
Net increase/(decrease) in cash and cash equivalents	(233,213)	(1,638)	(48,462)	34,782	214,064
Cash and cash equivalents beginning of the period	440,487	73,350	256,120	40,851	40,851
Effects of exchange rate changes on cash and cash equiv.	(871)	781	(1,256)	(3,140)	1,205
Cash and cash equivalents as of end of period	206,403	72,493	206,403	72,493	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 nine months ending 30 September 2021, have been prepared in accordance with IAS 34 Interim Financial Reporting, and authorized for issue by the board of directors on 3 November 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 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, except for the following changes in the principles applied (the changes are described below):

- change in functional currency in the parent company
- changes in revenue recognition for DragonBox sales to schools; and
- change in accounting estimates for deferred revenue

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 are mainly denominated in NOK. However, financing has also moved from NOK to USD, evidenced by the contributions from capital increases 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.

Change in revenue recognition for DragonBox – Sale to Schools

The Group has assessed the changes made to the product sold to schools for the school year 2021-2022 (1 August 2021 to 31 July 2022) and concluded that the changes in the product, its functionality and how the product is used and benefits the students, teachers and schools now satisfies the criteria of performance obligation over time.

As a result, the Group has as of 1 August 2021, changed the revenue recognition principles for the license revenues for DragonBox sale to schools from at point in time to over time, meaning that the license revenue is recognized over the subscription period (typically over 12 months). If the license revenue had been recognized at point in time, the Group's revenue would have increased by \$2,416 thousand to total revenue of \$26,066 thousand for the third quarter 2021 and \$60,660 thousand for year-to-date 2021 respectively. The Group's net income (loss) would have increased by \$1,911 thousand to -\$155 thousand for the third quarter 2021 and \$2,200 thousand for year-to-date 2021 respectively. Earnings per share and diluted earnings per share would have been \$ 0.00 and \$ 0.00 for third quarter 2021 and year-to-date 2021 respectively.

The comparable figures for 2020 are not restated.

Change in accounting estimates for deferred revenues

During the third quarter, the Group has updated the model for estimating the recognition of revenue over time (deferred revenue). The effect of the change in accounting estimates results in an increase in the balance of contract liabilities (deferred revenue), offset by lower recognized revenue for previously reported periods.

The effect of the change in accounting estimates can be summarized as follows:

- *Opening balance 2020 (prior to 2020):*
Contract liabilities (deferred revenue) increased by \$716 thousand, offset to accumulated deficit.
- *FY 2020:*
Contract liabilities (deferred revenue) increased by \$1,531 thousand as per 31 December 2020, offset as reduced recognized revenue (revenue from contracts with customers) of \$1,531 thousand in 2020.

The effect on recognized revenue in 2020 can be attributed to the following quarters:

USD in thousands	Reported	Effect	Restated
Q1 2020	4,215	(371)	3,844
Q2 2020	5,576	(418)	5,158
Q3 2020	9,238	(208)	9,030
Q4 2020	12,005	(535)	11,470
FY 2020	31,034	(1,531)	29,503

See note 8 for the complete restated consolidated statement of profit or loss, consolidated balance sheet and consolidated statement of cash flows for 2020.

Note 2 - Business combination

Clever

Clever Inc. ("Clever") was acquired by a purchase of 100% of the shares effective from 1 September 2021. Clever, one of the most widely-used digital learning platforms in U.S. K-12 education was acquired for enterprise value (EV) of \$435 – 500 million on a cash and debt-free basis, including a performance-based element for 2021-2022. The first part of the initial consideration was settled by a combination of cash and issuance of 7,300,765 shares in Kahoot! ASA at a subscription price of NOK 64.77 per share. A total of \$135 million of the initial consideration is deferred.

The performance-based element relating to Clever is determined based on certain operational metrics at the end of 2021 and end of 2022. 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 relating to the acquisition was recognized at \$63,033 thousand, whereof \$47,877 thousand is current. The main three factors used in assessing the fair value of the earnout is forecast of probability, cash flow and discount rate. The discount rate applied for Clever was 8.5%.

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 1 September 2021 for Clever.

Goodwill from the acquisition of Clever is 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 \$2,834 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 1 September 2021, Clever has contributed with \$3,738 thousand to the Group's revenue and negative net income contribution of \$553 thousand to the Group's total profit. If the acquisition of Clever had occurred on 1 January 2021, the revenue for the Group would have been \$84,136 thousand and the Group's loss would have been \$2,855 thousand.

USD in thousands	Clever
Purchase consideration	
Cash consideration	389,842
Shares issued	55,039
Contingent liability / earn-out	63,033
Total purchase consideration	507,914
Identifiable intangible assets	
Brand	72,647
Technology	31,339
Customer relationships	32,172
Property, plant and equipment	344
Trade and other receivables	8,628
Cash and cash equivalents	9,657
Deferred tax liability	(40,629)
Trade payables and other current liabilities	(16,855)
Total net identifiable assets acquired at fair value	97,302
Total purchase consideration	507,914
Goodwill	410,612
Net cash outflow arising on acquisition	
Cash consideration	254,842
Less: cash and cash equivalents acquired	9,657
Total cash consideration	245,185

Motimate

Motimate AS (“Motimate”) was acquired by a purchase of 100% of the shares effective from 22 April 2021. Motimate, an employee engagement and learning app provider for organizations of all sizes was acquired 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. The initial consideration was settled by a combination of cash and issuance of 1,104,994 shares in Kahoot! ASA at a subscription price of NOK 93.90 per share. A total of USD 5 million of the initial cash consideration is deferred and is expected to be settled at the end of the fourth quarter 2021. The deferred settlement has been recognized at its nominal value within other current liabilities.

The performance-based element relating to Motimate is determined based on certain operational metrics at the end of 2021. 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 relating to the acquisition was recognized at USD 1,814 thousand, whereof all is current. The main three factors used in assessing the fair value of the earnout is forecast of probability, cash flow and discount rate. The discount rate applied for Motimate was 12.5%.

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 22 April 2021 for Motimate.

Goodwill from the acquisition of Motimate is 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 \$249 thousand arose as a result of the transaction. These have been recognized as part of other operating expenses in the statement of profit or loss.

Since the acquisition date 22 April 2021, Motimate has contributed with \$1,954 thousand to the Group's revenue and negative net income contribution of \$1,151 thousand to the Group's total profit. If the acquisition of Motimate had occurred on 1 January 2021, the revenue for the Group would have been \$58,972 thousand and the Group's loss would have been \$1,259 thousand.

USD in thousands	Motimate
Purchase consideration	
Cash consideration	14,759
Shares issued	12,533
Contingent liability / earn-out	1,814
Total purchase consideration	29,107
Identifiable intangible assets	
Brand	666
Technology	11,328
Property, plant and equipment	5
Trade and other receivables	536
Cash and cash equivalents	2,521
Deferred tax liability	(2,211)
Trade payables and other current liabilities	(901)
Total net identifiable assets acquired at fair value	11,945
Total purchase consideration	29,107
Goodwill	17,161
Net cash outflow arising on acquisition	
Cash consideration	9,759
Less: cash and cash equivalents acquired	2,521
Total cash consideration	7,237

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 an initial consideration of \$6 million, in addition to a performance-based element up to \$6 million depending on Whiteboard's performance in 2021-2022. The initial 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 performance-based element 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 relating to the acquisition was recognized at \$4,314 thousand, of which \$2,702 thousand was non-current. The main three factors used in assessing the fair value of the earnout is forecast of probability, cashflow and discount rate. The discount rate 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 is 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 \$241 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 \$503 thousand to the Group's revenue and negative net income contribution of \$155 thousand to the Group's total profit. If the acquisition of Whiteboard.fi had occurred on 1 January 2021, the revenue for the Group would have been \$58,362 thousand and the Group's profit would have been \$523 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
Identifiable intangible assets	
Brand	219
Technology	3,563
Property, plant and equipment	12
Trade and other receivables	68
Cash and cash equivalents	293
Deferred tax liability	(756)
Trade payables and other current liabilities	(312)
Total net identifiable assets acquired at fair value	3,086
Total purchase consideration	10,316
Goodwill	7,230
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		Restated		Restated
	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Subscription revenue - recognized over time	23,114	6,726	57,155	15,103	26,215
Sale to schools - recognized over time ¹	416	-	416	-	-
Sale to schools - recognized at point in time ¹		2,120		2,120	2,235
Other revenue - recognized at point in time	120	184	423	665	878
Total revenue from contracts with customers	23,650	9,030	57,994	17,888	29,328
Other operating income	-	0	249	144	175
Total revenue and other operating income	23,650	9,031	58,244	18,032	29,502

¹ See note 1 for description of the change in revenue recognition principles for sale to schools. The 2020 license revenues for sale to schools are recognized at point in time.

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	37,093,408	3,709,341	441,320
Balance at 30 September 2021	483,185,375	48,318,538	5,669,410

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

At the Annual General Meeting of Kahoot! ASA on 8 June 2021, the Board of Directors were authorized to increase the share capital by up to NOK 9.63 million through the issuance of up to 96.3 million new shares in connection with (i) mergers, acquisitions, equity raises and (ii) exercise of share options. The Board of Directors were authorized to acquire treasury shares with a total nominal value of up to NOK 1,418 thousand.

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
3 May 21	Share capital increase	18,604	44,768,951	0.10	447,689,510	86.62
20 May 21	Share capital increase	2,500,000	47,268,951	0.10	472,689,510	68.00
10 Sep 21	Share capital increase	319,510	47,588,461	0.10	475,884,610	¹⁾
17 Sep 21	Share capital increase	730,077	48,318,538	0.10	483,185,375	64.77

¹⁾ Share option exercise with NOK strike price: 31/20/17.13/16.06/16/13.3333/10/8.3333/6.6667/1.6667

Note 5 - Shareholder information

Shareholders per 1 November 2021	Shares (m)	%
1 Glitrafjord AS	41.2	8.5 %
2 Datum AS	28.0	5.8 %
3 State Street Bank and Trust Comp	20.6	4.3 %
4 BNP Paribas	20.0	4.1 %
5 Creandum III LP	20.0	4.1 %
6 J.P. Morgan Securities Plc	20.0	4.1 %
7 Goldman Sachs International	18.0	3.7 %
8 The Bank of New York Mellon SA/NV	13.9	2.9 %
9 Citigroup Global Markets Inc.	13.5	2.8 %
10 State Street Bank and Trust Comp	12.8	2.6 %
11 Versvik Invest AS	11.3	2.3 %
12 Folketrygdfondet	9.9	2.0 %
13 Newbrott AS	7.6	1.6 %
14 The Northern Trust Comp, London	7.5	1.5 %
15 Datum Invest AS	7.3	1.5 %
16 Euroclear Bank S.A./N.V.	6.1	1.3 %
17 Nordnet Bank AB	5.7	1.2 %
18 J.P. Morgan Chase Bank, N.A.	5.5	1.1 %
19 J.P. Morgan Bank Luxembourg S.A.	5.4	1.1 %
20 Gamification AS	5.2	1.1 %
Other	203.8	42.2 %
Total outstanding shares	483.2	100.0 %
Outstanding share options	24.8	
Total no. of shares (fully diluted)	507.9	

Investors with shareholding exceeding 5%: SoftBank, Glitrafjord (CEO, Eilert Hanoa), Datum Group and BlackRock.

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

No events that have significantly affected or may significantly affect the operations of the Group have occurred after 30 September 2021.

Note 8 - Restated comparative figures for 2020

During the third quarter, the Group has updated the model for estimating the recognition of revenue over time (deferred revenue). The effect of the change in accounting estimates results in an increase in the balance of contract liabilities (deferred revenue), offset by lower recognized revenue for previously reported periods.

The effect of the change in accounting estimates can be summarized as follows:

- *Opening balance 2020 (prior to 2020):*
Contract liabilities (deferred revenue) increased by \$716 thousand, offset to accumulated deficit.
- *FY 2020:*
Contract liabilities (deferred revenue) increased by \$1,531 thousand as per 31 December 2021, offset as reduced recognized revenue (revenue from contracts with customers) of \$1,531 thousand in 2020.

See note 1 break-down of which quarters the restated revenues are attributed to.

Below is restated comparative figures for 2020.

Restated consolidated statement of profit or loss

USD in thousands	As reported 2020	Kahoot! Adj. 2020	Drops Adj. 2020	Restated 2020
Revenue from contracts with customers	30,859	(1,535)	4	29,328
Other operating income	175			175
Total revenue and other operating income	31,034	(1,535)	4	29,502
Cost of sales	3,790			3,790
Employee benefit expenses	31,625			31,625
Other operating expenses	11,553			11,553
Operating profit/(loss) before deprec. and amortiz. (EBITDA)	(15,936)	(1,535)	4	(17,467)
Amortization of intangible assets	1,897			1,897
Depreciation	685			685
Operating profit/(loss) (EBIT)	(18,517)	(1,535)	4	(20,048)
Financial income	372			372
Financial expenses	(329)			(329)
Net change in fair value of financial instruments	848			848
Net foreign exchange gains (losses)	(17,510)			(17,510)
Net financial income (expenses)	(16,619)	-	-	(16,619)
Profit/(loss) before income tax	(35,136)	(1,535)	4	(36,668)
Income tax	(656)			(656)
Profit/(loss) for the period	(34,481)	(1,535)	4	(36,012)

Restated consolidated balance sheet

USD in thousands	As reported 31.12.2020	Kahoot! Adj OB 2020	Kahoot! Adj. 2020	Drops Adj. 2020	Restated 31.12.2020
ASSETS					
Goodwill	77,745			12	77,757
Intangible assets	34,373				34,373
Property, plant and equipment	409				409
Right-of-use assets	3,165				3,165
Deferred tax asset	-				-
Total non-current assets	115,692	-	-	12	115,704
Trade receivables	2,671			486	3,157
Other current assets	3,316			(143)	3,173
Cash and cash equivalents	256,120				256,120
Total current assets	262,108	-	-	343	262,451
TOTAL ASSETS	377,800	-	-	355	378,155
EQUITY AND LIABILITIES					
Share capital	5,228				5,228
Share premium	357,383				357,383
Share-based payments reserves	5,542				5,542
Foreign currency translation reserves	(375)				(375)
Accumulated deficit	(79,373)	(716)	(1,535)	4	(81,620)
Total equity	288,406	(716)	(1,535)	4	286,159
Lease liabilities	2,312				2,312
Deferred tax liability	5,843				5,843
Other non-current liabilities	15,447				15,447
Total non-current liabilities	23,602	-	-	-	23,602
Lease liabilities	964				964
Trade payables	1,817				1,817
Contract liabilities (deferred revenue)	27,899	716	1,535	351	30,501
Other current liabilities	35,111				35,111
Total current liabilities	65,791	716	1,535	351	68,393
Total liabilities	89,393	716	1,535	351	91,996
TOTAL EQUITY AND LIABILITIES	377,800	-	-	355	378,155

Restated consolidated statement of cash flows

USD in thousands	As reported 2020	Kahoot! Adj. 2020	Drops Adj. 2020	Restated 2020
Cash flows from operating activities				
Profit/(loss) before income tax	(35,136)	(1,535)	4	(36,668)
<i>Adjustments for:</i>				-
Paid taxes	-			-
Depreciation and amortization	2,582			2,582
Net interest income	(329)			(329)
Share-based payments expense	3,069			3,069
Change in trade and other receivables	279		(486)	(207)
Change in contract liabilities (deferred revenue)	13,807	1,535	351	15,694
Change in trade payables	591			591
Change in other current assets and other liabilities	32,191		131	32,322
Interest received	372			372
Net cash flow from operating activities	17,426	-	-	17,426
Cash flows from investing activities				
Payment for acquisition of subsidiary, net of cash acquired	(34,227)			(34,227)
Payment for intangible assets				-
Payment for property, plant and equipment	(214)			(214)
Net cash from investing activities	(34,441)	-	-	(34,441)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	241,931			241,931
Transaction costs on issuance of ordinary shares	(10,237)			(10,237)
Repayments of lease liabilities	(537)			(537)
Paid interest on lease liabilities	(78)			(78)
Net cash from financing activities	231,079	-	-	231,079
Net increase/(decrease) in cash and cash equivalents	214,064	-	-	214,064
Cash and cash equivalents beginning of the period	40,851			40,851
Effects of exchange rate changes on cash and cash equiv.	1,205			1,205
Cash and cash equivalents as of end of period	256,120	-	-	256,120

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