

Kahoot! Group Trading Update – Fourth Quarter 2021

OSLO, 11 January, 2022 – Kahoot! ASA, (KAHOT) a leading learning platform company on a mission to make learning awesome today announced the Trading Update for its fiscal quarter ended 31 December, 2021.

“Our mission is to make learning awesome. Our portfolio of products drives billions of learning interactions annually, coming together through continuous product development, innovation and a team with focus and ambition to put magic learning moments at everyone’s fingertips.

The Kahoot! Group achieved several strategic and financial milestones during the final quarter of 2021, including record-level activity and continued strong organic growth on the core Kahoot! platform. We delivered significant group-wide growth across all business areas with invoiced revenue up 126% YoY for the quarter, and 137% for the full year 2021, although we ended the quarter below our expectations due to our year end performance under increased uncertainty related to Omicron, including schools and businesses closing early before the holidays. In the quarter we also saw significantly improved cash-flow from operations, achieved in large part due to our scalable platform and our commitment to a user generated, sustainable and profitable growth.

Our continuous focus on realizing synergies across the group’s diverse portfolio has yielded solid results in a quarter where we further expanded our audience engagement offerings for all customer groups, launching a host of new innovative features and products. We are excited to springboard into 2022 after a record-year and quarter for the Kahoot! Group”
- Eilert Hanoa, CEO Kahoot!

Fourth Quarter 2021 – Financial and Operational Highlights

- Organic user growth on the Kahoot! platform (over the past 12 months) continued with 30.9 million active accounts, up 25% YoY and 310 million hosted sessions, up 24% YoY with a total of approx. 2.0 billion participants (non-unique) globally, up 32% YoY.
- Kahoot! reached more than 1.1 million paid subscriptions across all services, up 64% YoY, representing an organic increase of 95,000 from the third quarter, with 60,000 on the Kahoot! platform. At the end of the fourth quarter, Kahoot! at Work reached 490,000 paid subscriptions, Kahoot! at School reached 365,000 paid subscriptions and Kahoot! at Home & Study reached 255,000 paid subscriptions.
- Invoiced revenue (billings) was \$39.7 million in the fourth quarter, up 126% YoY, including Clever, which contributed \$12.8 million. Excluding Clever, invoiced revenue

in the fourth quarter grew \$9.3 million YoY to \$26.9 million, up 53%. For the full year 2021 invoiced revenue grew \$61.9 million YoY to \$107.2 million (including \$18.5 million from Clever for the four month period from September to December), up 137%. In the fourth quarter, the U.S. and Canada as the largest region represented 61% of the Kahoot! Group's invoiced revenue (including Clever).

- Annual Recurring Revenue ("ARR") of \$133 million, up 122% YoY. Clever contributed approx. \$47 million from its U.S. ecosystem partners.
- Cash flow from operations in the fourth quarter (excluding cash effects related to share-based payment, listing and acquisition cost) exceeded \$13 million, up 86% YoY, with positive contribution from Clever, and approximately \$31 million for the full year, up 78% YoY.
- Cash and cash equivalents as of December 31, 2021, exceeded \$107 million. The Group has no interest-bearing debt.

"The fourth quarter demonstrated the solid scalability of the Kahoot! Group. With only limited growth in the organization and continued immaterial marketing spend, our talented team were able to deliver invoiced revenue of \$39.7 million, Annual Recurring Revenue of \$133 million, and all-time high cash flow from operations (adjusted) exceeding \$13 million, representing more than 30% cash conversion of invoiced revenue for the quarter." - Ken Østreng, CFO Kahoot!

Fourth Quarter 2021 – Strategic and Business Highlights

- **Kahoot! at Work** added 55,000 paid subscriptions, reaching 490,000 this quarter and continued to empower employee learning, audience engagement and corporate culture with an increasingly multi-faceted suite of solutions due to the continued integration of Motimate and Actimo. Moreover, Kahoot!'s bespoke enterprise offering, Kahoot! 360 Spirit, saw the effect of its enhanced offerings including the newly launched Kahoot! Courses through significant uptake in subscriptions.
- **Kahoot! at School** added 30,000 paid subscriptions, reaching 365,000 this quarter and further evolved the offerings to the more than 9 million teachers (LTM), hundreds of millions of students and thousands of schools, campuses, universities and districts. The Kahoot! EDU offering was extended with the features such as Team mode and the launch of Math Labs by DragonBox, well received by educators and students around the globe.
- **Clever** delivered a strong first half of the 21-22 school year, with over 60% of all U.S. K-12 Schools using the Single sign-on platform Clever and more than 740 app partners on the platform. Clever remains focused on laying a robust foundation for growth and commercial added-value for its vast network, including the launch of the click-to-buy

App Store and international expansion in 2022.

- **Kahoot! at Home** added 10,000 paid subscriptions, reaching 255,000 this quarter and expanded offerings through new commercial products customized for even more user segments. The newly launched Kahoot! Kids app empowers parents with a fun, explorative and safe experience to spark curiosity in young learners preschool. Moreover, the new Kahoot!+ Study subscription supports higher ed students to leverage engagement in their study and exam preparation, connecting students with a range of new features and tools to make studying more impactful.
- **Kahoot! Academy** took a major step in enriching its offering for creators and learners with the recent launch of the subscription service Kahoot!+ AccessPass. This represents the first commercial service on Kahoot!'s global digital marketplace, where verified creators and partners can monetize premium content. By enabling a marketplace, Kahoot!'s platform will be harnessed by the burgeoning global creator community to promote, sell and monetize their quality content and expertise made available for Kahoot!'s global audience.

For additional information, see the attached update letter from Eilert Hanoa, CEO of Kahoot!

Kahoot! Group ambition 2022

For 2022, the current ambition for the Kahoot! Group including Clever is \$190-200 million in invoiced revenue. The operational cost base¹ is expected to represent approx. 70% of invoiced revenue which indicates approx. 30% cash conversion of invoiced revenue.

Kahoot! Group long term ambitions and additional details will be disclosed with the Q4 2021 report.

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

The full fourth quarter 2021 report is scheduled for release on 17 February, 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.

¹ The operational cost base does not include depreciation and amortization, and is 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 expenses and include adjustments for share based compensation expenses and related payroll taxes, acquisition-related expenses, and listing cost preparations.

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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 2 billion participants (non-unique) in more than 200 countries and regions. The Kahoot! Group 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!

An update from Eilert Hanoa, CEO of Kahoot!

We are pleased to share that the Kahoot! Group achieved several strategic and financial milestones during the final quarter of 2021, capping off a year of significant accomplishments, on our journey to making learning awesome!

Strong growth in the fourth quarter and reaching new milestones across the Group

Our viral growth model, along with our continuous product development and innovation mindset, resulted in the realization of record-levels of learning interactions on our core Kahoot! platform, reaching a new milestone of 7 billion (non-unique) participating players since launch back in 2013 and approximately 2 billion in the last twelve months. At the same time, strong performance across the Group's diverse portfolio of applications and solutions advanced the commercialization of our audience engagement offerings for increasingly varied user groups.

We recorded solid performance across the Group, with approximately 31 million active accounts in the last 12 months, and reached a new milestone with more than 1.1 million paying subscriptions. We delivered year-over-year ("YoY") invoiced revenue growth of 126%, which represented significant improvements across all business areas. We are encouraged by strong financial performance across our business units and business areas, including newly acquired Clever.

We are pleased to reach our annual goal for 2021, exceeding \$107 million in invoiced revenues, although experiencing curtailment of some of the initial positive momentum due to changes in the trading environment engendered by a resurgent pandemic situation at the very end of the quarter, disrupting decision making in schools and businesses, as well as effectively limiting the trading season before the holidays. We therefore ended the quarter slightly below our expectations.

In summing up 2021 we are encouraged to see the core Kahoot! platform growing with 60% YoY in invoiced revenues, and we are particularly content that our focus on realizing synergies across the group, including integrating our acquisitions, has yielded strong results and record-high cash flow. We remain disciplined in limiting our marketing spend to a minimum and continue with our product-led viral growth model to ensure long-term sustainable and profitable growth.

Our accomplishments throughout the year and the work of our efficient, committed and talented workforce, of which half is devoted to product development, have established a secure foundation for the Kahoot! Group's continued growth in 2022 and beyond.

Accelerating commercialization with new offerings and increasingly diverse global user audiences

Our Kahoot! at Work business area delivered robust performance in the fourth quarter, with 55,000 new paid subscriptions and all-time high levels of newly won and renewed contracts.

The launch of new features, including [courses for Kahoot! 360](#) has been positively received by our customers and we are proud to see a strong growth of the installed base for our enterprise offering, Kahoot! 360 Spirit. And Kahoot! at Work has expanded relevance across multiple industries and for increasingly diverse use cases encompassing training, culture building, internal communication and events, with strong contribution from Actimo and Motimate.

We also launched new commercial offerings in our Kahoot! at Home business area during the fourth quarter, including [Kahoot!+ Study](#) and [Kahoot! Kids](#), both of which served to amplify Kahoot!'s wider reach and depth across both geographical and generational audiences. We are also excited about our new feature integration with SharePlay, allowing family and friends to [enjoy Kahoot! using FaceTime](#).

Our Kahoot! at School initiatives further enhanced the offerings used by more than 9 million teachers, hundreds of millions of students and thousands of schools, campuses, universities and districts. This included new features including the October launch of [Math Labs by DragonBox](#), New Team mode and the December launch of our [new premium theming feature](#), used in over one million teacher sessions.

The fourth quarter also marked a key inflection point on Kahoot!'s commercialization journey with [the launch of Kahoot!+ AccessPass](#). This is a significant initial step in commercializing the Kahoot! platform's millions-strong content resources, representing the first commercial service on Kahoot!'s global digital marketplace on our platform, where verified creators and partners can monetize premium content. We are hugely optimistic about the potential of this marketplace to empower the vast global creator community with new commercial opportunities across education and beyond, benefitting our global audience.

Kahoot! Academy continued to partner up with world-renowned brands for content creation, launching new partnerships including [NASA](#), [Minecraft](#), [The U.S Census Bureau](#) and [social emotional learning with Microsoft](#). The usage of the resources from all our Academy partners and creators continue to grow, reaching 40 million monthly participants.

Clever, one of the most widely used digital learning platforms for U.S. K-12 schools delivered a strong first half of the 21-22 school year, with more than 60% of U.S. K-12 schools using Clever and 22 million students and 1.4 million teachers login into the platform monthly. Clever has created a robust foundation as we proceed into 2022, and we are excited to extend Clever's platform into new domestic sectors in the U.S. and selected international markets, as well as developing a compelling marketplace proposition for all learning apps.

Greater synergies, continued growth and celebrating 7 billion participating players

A central part of our agenda for the fourth quarter was to realize increased synergies through better collaboration across Group units and teams. This is a key element of our strategy and ensures further enrichment of our solutions and improved user value to continue our effective revenue growth without incurring additional customer acquisition costs. We have already begun to see the benefits of this across Kahoot!'s Work, School and Home & Study category, and Group units.

Kahoot!'s relevance continued to expand in the fourth quarter across geographies. Kahoot! continued to broaden its accessibility globally this quarter by publishing its first Arabic course collection, now available to millions of Arabic speakers around the world. This is a precursor to a full rollout of the Kahoot! platform across the Arabic, Simplified and Traditional Chinese languages, adding to [the 11 languages currently available](#).

We were proud that our viral growth model allowed us to end the year with uniquely high levels of activity, with 10 kahoots played and almost 200 questions answered every second. We also achieved a new landmark, with 7 billion non-unique participating players registered to date, and a record-high 2 billion in just the last 12 months.

Entering 2022 with momentum to build the leading learning platform in the world

The Kahoot! Group is built on a mindset of continuous improvement, with ongoing development of product enhancements and innovation providing better user value, fueling our viral product-led growth to realize our long-term commercialization goals.

With a milestone year behind us, we are pleased to springboard into 2022 on a foundation of increased commercial momentum, better synergies across the Kahoot! Group and continued solid cash flow for the year to fund new growth initiatives. In a rapidly developing market, the Kahoot! Group's increasingly diverse product portfolio, scalable platform, viral distribution model, growing user base, recognized global brand, and talented employees position us to deliver further improved results in 2022 as we maintain discipline in executing on our long-term strategy.

With this solid foundation established, we are incredibly excited to continue to work on accomplishing our mission: **to make learning awesome, for all users worldwide!**