

**Kahoot! Group**

# **Q4 2021 Report**

# Kahoot! Group Reports Fourth Quarter 2021 Financial Results

**OSLO, 17 February 2022 – Kahoot! ASA, (KAHOT) today announced financial results for its fiscal quarter ended 31 December 2021, in-line with the main numbers presented on the trading update 11 January 2022. Kahoot! reports Q4 invoiced revenue of \$39.7m, up 126% YoY, ARR \$133m, up 122% YoY and Q4 92% Gross Margin**

*«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 of 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.
- Total revenue and other operating income of \$33.0 million, up 193% YoY. For the full year total revenue and other operating income grew \$61.9 million YoY to \$91.3 million, up 211%.

- Adjusted EBITDA (excluding share-based compensation expenses and related payroll taxes, acquisition related expenses and listing cost) grew \$5.4 million YoY to \$5.5 million. For the full year adjusted EBITDA grew \$18.6 million YoY to \$19.3 million.
- Cash flow from operations (excluding payment of listing and acquisition cost, and cash effects related to share-based compensation) of \$13.4 million, up 92% YoY, with positive contribution from Clever, and \$31.3 million for the full year, up 80% YoY.
- Cash and cash equivalents as of 31 December 2021, totaled \$107.8 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!*

## 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 substitutes 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	Restated <sup>5</sup>		Restated <sup>5</sup>	
	Q4 2021 <sup>5</sup>	Q4 2020	FY 2021 <sup>5</sup>	FY 2020
Total revenue and other operating income	33.0	11.3	91.3	29.3
Cost of sales <sup>1</sup>	2.6	1.3	7.0	3.7
Employee benefit expenses <sup>2</sup>	13.9	5.7	35.2	14.4
Other operating expenses <sup>3</sup>	11.1	4.1	29.7	10.6
Total operating expenses	27.6	11.2	72.0	28.7
Adjusted EBITDA	5.5	0.1	19.3	0.7
Share based compensation expenses	3.7	2.0	10.4	3.1
Payroll tax share based compensation	(3.1)	9.4	(7.6)	14.2
Acquisition transaction and listing cost	0.3	1.0	6.6	1.0
EBITDA	4.5	(12.2)	9.8	(17.6)
Invoiced revenue	39.7	17.5	107.2	45.3
ARR end of period	133.0	60.0	133.0	60.0
Adjusted EBITDA margin	16.6 %	1.1 %	21.1 %	2.2 %
Cash flow from operating activities <sup>4</sup>	13.4	7.0	31.3	17.4
Cash and cash equivalents end of period	107.8	256.1	107.8	256.1

<sup>1</sup> Cost of sales are third-party sales and distribution cost.

<sup>2</sup> 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.

<sup>3</sup> Other operating expenses not including acquisition-related expenses and listing cost.

<sup>4</sup> Q4 2021 mainly adjusted for \$1.1 million cash outflow for expenses to acquisition and listing cost, \$6.5 million cash outflow held for employee withholding tax for exercised employee share options (reversed effect from Q3), and \$3.3 million cash outflow for social security cost on exercised share options.

<sup>5</sup> Includes Clever from 1 September 2021.

<sup>6</sup> The Group has as disclosed in the Q3 report 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, and currency translation effects relating to goodwill and intangible assets, please see note 1 and 8 to the interim consolidated financial statements.
- Total revenue and other operating income of \$33.0 million for the fourth quarter 2021, compared to \$11.3 million for the fourth quarter 2020, up 193% YoY. The increase of \$21.7 million was driven by growth of paid subscriptions for the Group's products and contribution from acquired units. Clever is included from 1 September 2021. For the full year 2021, total revenue and other operating income amounted to \$91.3 million, up from \$29.3 million for 2020, representing 211% 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 \$14.5 million for the fourth quarter 2021 vs. \$17.1 million for the fourth quarter 2020, whereof calculated share-based payment expenses and related payroll taxes for the Group's share option program accounted for \$0.6 million in the fourth quarter 2021 vs. \$11.4 million for the fourth quarter 2020.
  - The operational payroll and employee related benefit expenses (excluding calculated share-based payment expenses and related payroll taxes) were \$13.9 million in the fourth quarter 2021 vs. \$5.7 million in the fourth quarter 2020. The increase of \$8.2 million is attributable to growth in the number of employees through acquired companies and organic growth.
  - For the full year 2021, total employee benefit expenses were \$38.1 million compared to \$31.6 million for 2020 whereof calculated share-based payment expenses and related payroll taxes for the Group's share option program accounted for \$2.9 million in 2021 vs. \$17.2 million in 2020.

- The operational payroll and employee related benefit expenses (excluding calculated share-based payment expenses and related payroll taxes) were \$35.2 million for 2021 vs. \$14.4 million for 2020. The increase of \$20.8 million is attributable to increased number of employees through acquired companies and organic growth. Number of full-time employee equivalents were 422 by the end of 2021 vs. 182 by the end of 2020.
- EBITDA amounted to \$4.5 million for the fourth quarter 2021 compared to -\$12.2 million for the fourth quarter 2020. The improvement of \$16.7 million is due to revenue growth and reduced share-based payment expenses and related payroll taxes for the Group's share option program. For the full year 2021, EBITDA was \$9.8 million, up \$27.4 million from -\$17.6 million in 2020.
  - EBITDA adjusted for share-based compensation expenses and related payroll taxes, acquisition-related expenses and listing cost preparations, was \$5.5 million for the fourth quarter 2021, up \$5.4 million compared to for the fourth quarter 2020. For the full year 2021, EBITDA adjusted for share-based compensation expenses and related payroll taxes, acquisition-related expenses and listing cost preparations was \$19.3 million, up \$18.6 million compared to 2020.
- Depreciation and amortization expenses amounted to \$3.7 million for the fourth quarter 2021 compared to \$1.1 million for the fourth quarter 2020. The increase of \$2.6 million is due to amortization of intangible assets from acquired companies. For the full year 2021, depreciation and amortization expenses were \$10.2 million compared to \$2.6 million for 2020.
- Net financial income amounted to \$1.5 million for the fourth quarter 2021, compared to net financial expense of \$14.5 million for the fourth quarter 2020. The financial income for the fourth quarter 2021 were affected by net foreign exchange gains and net change in fair value of future performance-based considerations related to acquisitions. For the full year 2021, net financial income amounted to \$2.0 million compared to \$15.0 million net financial expense for 2020.
- The \$0.8 million positive effect from income tax for the fourth quarter 2021 is due to tax effect on amortization of intangible assets. The positive effect from income tax for the full year 2021 was \$1.8 million.
- During 2021, total assets increased by \$433.7 million to \$811.9 million. The increase was primarily attributable to acquisitions. Per the end of 2021, non-current assets were \$687.1 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 \$124.8 million whereof cash and cash equivalents represented \$107.8 million.
- Total liabilities increased during 2021 by \$134.0 million to \$226.1 million per the end of the year, whereas deferred tax liability represents \$46.3 million, contract liabilities (deferred revenue) \$60.8 million. Deferred and contingent consideration for acquisitions amounts to \$95.9 million (whereof \$42.8 million are non-current) to be settled in combination of approx. 22% shares and 78% cash.
- Equity ratio per the end of 2021 was 72%.
- Cash flow from operations for the fourth quarter was \$2.8 million compared to \$7.0 million for the fourth quarter 2020. Adjusted cash flow from operations in the fourth quarter was \$13.4 million (mainly adjusted for \$1.1 million cash outflow for expenses to acquisition and listing cost, \$6.5 million cash outflow held for employee withholding tax for exercised

employee share options (reversed effect from Q3), and \$3.3 million cash outflow for social security cost on exercised share options). For the full year 2021, cash flow from operations was \$23.7 million compared to \$17.4 million for 2020. Adjusted cash flow from operations for the full year 2021 was \$31.3 million, up 80% YoY.

- Cash flow from investing activities amounted to -\$102.5 million in the fourth quarter 2021 mainly due to payment for deferred consideration for the acquisition of Clever. For the full year 2021, cash flow from investing activities was -\$367.7 million which includes the acquisitions of Motimate, Whiteboard and Clever.

## Market Environment

The global growth and application of digital learning tools continues to increase at pace with digital adoption accelerating across industries and organizations, with little sign of this development relenting.

Despite a fourth quarter defined by global financial volatility where the end-of-quarter trading environment experienced some disruption as a result of the Covid-19 Omicron variant, Kahoot! has seen continued adoption and application realized across its expanding subscriber bases in all segments and geographies, while also serving 2 billion (non-unique) participants over the last 12 months alone. The popularity of digital tools is further evidenced by Clever's strong performance during Q4, in particular with its stronghold in the largest learning market in the world, again signaling a robust demand for innovative and efficient digital learning solutions.

In sum, these developments speak to the underlying health of the Group's multi-segment business, where Kahoot!'s core platform and strategically acquired entities have established Kahoot! as an essential tool for digital learning. Vitally, however, the Kahoot! platform and the broader Kahoot! Group's relevance extends considerably further across steadily more diverse use cases, scenarios and learning contexts as a uniquely effective audience engagement tool with myriad potential applications in the classroom, at the workplace, and in the home.

With this perspective and an increasingly diverse portfolio of product offerings for widening demographics, we remain optimistic about Kahoot!'s potential for progressive growth in 2022.

## 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 & Study** 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.

## 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. During Q4, the business area finalized some of its largest commercial deals to date, while continuing to expand and enrich its offering with the ongoing integration of mobile learning app, Motimate, and employee engagement app, Actimo. Kahoot!'s bespoke enterprise offering, Kahoot! 360 Spirit, saw the effect of its enhanced offerings, including the newly launched Kahoot! Courses and an updated email verification process for our Player Identifier function, through significant uptake in subscriptions. The Kahoot! at Work business area stands optimally positioned to respond to multiple workplace scenarios we have seen evolve thanks to 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. Q4 was a significant quarter for the Home segment's commercialization progress marked by the launches of Kahoot!+ Study, and Kahoot! Kids. The former seeks to make study more fun, impactful and effective, leveraging Kahoot!'s position as a trusted learning tool for hundreds of millions of participating students, while the latter expands Kahoot!'s demographic relevance with a bespoke, pedagogically robust product to engage a family audience which has played 100 million kahoots in the last 12 months.

### 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 a period of disruption and uncertainty due to the Omicron variant for educators and students globally, Kahoot! further evolved its offerings to more than 9 million teachers (LTM), hundreds of millions of students and thousands of schools, campuses, universities and districts. Kahoot!'s EDU offering was enriched with features such as Team mode - designed to increase collaboration, and particularly relevant during forced hybrid and remote learning circumstances - and the launch of Math Labs by DragonBox, which were well received by educators and students worldwide.

## **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. Q4 was a significant quarter in progressing Kahoot! Academy's commercialization as it marked the 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 opens itself to be harnessed by the burgeoning global creator community to promote, sell and monetize their quality content and expertise. 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. 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, featuring more than 740 app partners, whereof approx. 450 paying. The ongoing focus for Clever remains to lay 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. 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 2022 Outlook**

The Kahoot! Group reiterates the ambition to exceed \$190m in invoiced revenues for 2022, with recognized revenues exceeding \$155m and adjusted cash flow from operations of approx. 35% of recognized revenue.

The Kahoot! Group's annual invoiced revenue cycle is influenced by natural seasonality and market dynamics of key business areas, with the main driver being the back-to-school season for Kahoot! and for Clever in the second half of the year. Expected invoiced revenue split of approx. 40/60 in H1 and H2, in line with previous years.

For the first quarter 2022, invoiced revenue is expected at \$34-35m, representing approx. 80% YoY growth, including effect of Clever seasonality and with solid cash flow from operations.

## **Kahoot! Group Ambitions**

The Kahoot! Group's ambition is to exceed \$500m in invoiced revenues in 2025, representing approx. 40% annual invoiced revenue growth, whereof approx. 1/3 from Kahoot! at Work, 1/3 from Kahoot! at School including Clever, and 1/3 from Kahoot! at Home & Study including Kahoot! Academy Marketplace.

The operational cost base is over the period expected to be converged to approx. 60% of invoiced revenue which indicates approx. 40% cash conversion of invoiced revenue in 2025.

Financial ambitions outlined does not depend on any material acquisitions in the period.



As previously communicated the Company is exploring the opportunity for a secondary listing. After concluding its initial assessment, the Company has decided that it will continue to explore preparations for a potential secondary listing in the U.S. The Company will update the market in line with applicable regulatory requirements.

The information contained in this report has not been audited and may be subject to change. Please see Kahoot! News on [kahoot.com/news](https://kahoot.com/news) to stay up to date on company news and updates.

For the financial year 2022, the company will disclose quarterly financial information in accordance with the published financial calendar.

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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!**

## Kahoot! platform usage development

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

(Numbers in millions)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
<b>Active accounts LTM</b>	<b>16.8</b>	<b>20.3</b>	<b>21.5</b>	<b>24.8</b>	<b>28.2</b>	<b>29.0</b>	<b>30.3</b>	<b>30.9</b>
USA and Canada	8.6	9.5	9.6	11.2	12.2	12.8	13.1	13.4
Europe	5.1	6.5	6.7	7.4	8.9	8.8	9.3	9.8
Asia Pacific	1.6	2.1	2.4	2.6	2.8	2.7	3.2	3.3
Latin America and The Caribbean	0.9	1.4	1.8	2.4	2.9	3.2	3.2	3.1
Africa, The Middle East, and India	0.5	0.8	0.9	1.2	1.4	1.4	1.4	1.4
<i>By category <sup>1</sup>:</i>								
Work	0.3	0.4	0.5	0.5	0.6	0.5	0.6	0.7
School	6.0	6.4	6.9	7.6	8.3	8.7	9.1	9.3
Home & Study	10.4	13.5	14.2	16.7	19.3	19.7	20.6	20.9
<b>Hosted sessions LTM</b>	<b>217.6</b>	<b>210.2</b>	<b>223.8</b>	<b>250.5</b>	<b>278.9</b>	<b>303.5</b>	<b>314.2</b>	<b>310.5</b>
USA and Canada	110.3	97.8	101.8	115.6	129.3	146.3	149.1	142.0
Europe	64.5	64.3	66.2	71.9	80.3	84.5	88.4	91.7
Asia Pacific	22.0	23.3	24.6	25.5	26.4	26.8	30.7	32.6
Latin America and The Caribbean	12.7	14.7	18.6	22.6	26.6	29.7	29.7	28.8
Africa, The Middle East, and India	8.0	10.0	12.5	14.8	16.4	16.2	16.3	15.4
<i>By category <sup>1</sup>:</i>								
Work	2.7	2.7	3.1	3.9	4.6	4.6	4.9	5.8
School	79.0	68.7	76.9	94.3	112.3	129.6	134.0	131.4
Home & Study	135.9	138.8	143.8	152.2	162.0	169.3	175.3	173.2
<b>Participants (non-unique) LTM</b>	<b>1,305</b>	<b>1,245</b>	<b>1,339</b>	<b>1,492</b>	<b>1,619</b>	<b>1,855</b>	<b>1,927</b>	<b>1,976</b>
USA and Canada	742	655	683	760	818	973	1,005	1,012
Europe	344	347	360	392	423	472	493	525
Asia Pacific	126	128	143	152	160	171	191	207
Latin America and The Caribbean	59	73	99	124	148	168	168	164
Africa, The Middle East, and India	34	42	54	65	69	70	70	68
<i>By category <sup>1</sup>:</i>								
Work	19	20	23	28	31	32	35	43
School	877	812	880	1,006	1,135	1,341	1,381	1,407
Home & Study	409	413	436	459	453	481	510	526

<sup>1</sup>Category is based on account registration data.

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

Usage metrics, particularly in the Americas, were influenced due to shutdown of schools and some disruption of normal business activity due to Omicron pandemic restrictions end of Q4.

## Kahoot! Group paid subscription development

(Numbers in thousands)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
<b>Paid subscriptions <sup>3</sup></b>	<b>202</b>	<b>270</b>	<b>360</b>	<b>675</b>	<b>760</b>	<b>933</b>	<b>1,015</b>	<b>1,110</b>
Work	83	100	105	245	255	403	435	490
School	91	125	180	230	275	295	335	365
Home & Study	28	45	75	200	230	234	245	255

<sup>3</sup>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	Restated		Restated	
		Q4 2021	Q4 2020	FY 2021	FY 2020
Revenue from contracts with customers	3	33,022	11,255	91,016	29,143
Other operating income	3	-	30	249	175
<b>Total revenue and other operating income</b>		<b>33,022</b>	<b>11,285</b>	<b>91,265</b>	<b>29,318</b>
Cost of sales		2,629	1,283	7,029	3,717
Employee benefit expenses		14,518	17,110	38,105	31,625
Other operating expenses		11,366	5,126	36,351	11,553
<b>Operating profit/(loss) before deprec. and amortiz. (EBITDA)</b>		<b>4,509</b>	<b>(12,234)</b>	<b>9,780</b>	<b>(17,577)</b>
Amortization of intangible assets		3,246	861	8,848	1,897
Depreciation		465	220	1,357	685
<b>Operating profit/(loss) (EBIT)</b>		<b>798</b>	<b>(13,315)</b>	<b>(425)</b>	<b>(20,159)</b>
Financial income		(66)	116	432	372
Financial expenses		(63)	(134)	(205)	(329)
Net change in fair value of financial instruments		661	848	2,371	848
Net foreign exchange gains (losses)		981	(15,290)	(641)	(15,908)
<b>Net financial income (expenses)</b>		<b>1,513</b>	<b>(14,460)</b>	<b>1,957</b>	<b>(15,017)</b>
<b>Profit/(loss) before income tax</b>		<b>2,311</b>	<b>(27,775)</b>	<b>1,532</b>	<b>(35,176)</b>
Income tax		(771)	(564)	(1,838)	(656)
<b>Profit/(loss) for the period</b>		<b>3,082</b>	<b>(27,211)</b>	<b>3,370</b>	<b>(34,520)</b>
Profit/(loss) for the period is attributable to:					
Equity holders of Kahoot! ASA		3,082	(27,211)	3,370	(34,520)
Earnings per share in USD					
Basic earnings per share		0.01	(0.06)	0.01	(0.09)
Diluted earnings per share		0.01	(0.06)	0.01	(0.09)

## Condensed consolidated interim statement of comprehensive income or loss

USD in thousands	Restated		Restated	
	Q4 2021	Q4 2020	FY 2021	FY 2020
<b>Profit/(loss) for the period</b>	<b>3,082</b>	<b>(27,211)</b>	<b>3,370</b>	<b>(34,520)</b>
Other comprehensive income/(loss):				
Items that might be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations	(1,597)	(1,391)	(8,751)	(1,927)
Item that are not reclassified to profit or loss:				
Exchange difference on translation to another presentation currency	-	21,597	-	17,413
<b>Total comprehensive income/(loss) for the period</b>	<b>1,485</b>	<b>(7,005)</b>	<b>(5,381)</b>	<b>(19,034)</b>
Total comprehensive income/(loss) is attributable to:				
Equity holders of Kahoot! ASA	1,485	(7,005)	(5,381)	(19,034)

## 2. Condensed consolidated interim balance sheet

USD in thousands	Note	31.12.2021	Restated 31.12.2020
<b>ASSETS</b>			
Goodwill	2	510,207	77,757
Intangible assets	2	173,284	34,373
Property, plant and equipment		633	409
Right-of-use assets		2,928	3,165
Deferred tax asset		-	-
<b>Total non-current assets</b>		<b>687,052</b>	<b>115,704</b>
Trade receivables		11,764	3,157
Other current assets		5,304	3,247
Cash and cash equivalents		107,765	256,120
<b>Total current assets</b>		<b>124,833</b>	<b>262,524</b>
<b>TOTAL ASSETS</b>		<b>811,885</b>	<b>378,228</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	4	5,707	5,228
Share premium		651,581	357,383
Share-based payments reserves		15,496	5,542
Foreign currency translation reserves		(10,272)	(1,977)
Accumulated deficit		(76,758)	(80,128)
<b>Total equity</b>		<b>585,754</b>	<b>286,048</b>
Lease liabilities		2,044	2,312
Deferred tax liability		46,288	5,843
Other non-current liabilities		43,084	15,447
<b>Total non-current liabilities</b>		<b>91,416</b>	<b>23,602</b>
Lease liabilities		1,007	964
Current tax liabilities		4	-
Trade payables		5,359	1,817
Contract liabilities (deferred revenue)		60,772	30,686
Other current liabilities		67,573	35,111
<b>Total current liabilities</b>		<b>134,715</b>	<b>68,578</b>
<b>Total liabilities</b>		<b>226,131</b>	<b>92,180</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>811,885</b>	<b>378,228</b>

### 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	-40,113	56,026
Correction of opening balance (note 8)	-	-	-	-	-716	-716
Balance at 1 January 2020 (Restated)	1,473	92,621	2,095	-50	-40,829	55,310
Profit/(loss) for the period	-	-	-	-	-34,520	-34,520
Currency translation differences	334	21,480	378	-1,927	-4,779	15,486
Total comprehensive income/(loss) for the period	334	21,480	378	-1,927	-39,299	-19,034
Issuance of shares	3,421	253,520	-	-	-	256,941
Transaction costs on equity issues	-	-10,238	-	-	-	-10,238
Share option program	-	-	3,069	-	-	3,069
Balance at 31 December 2020 (Restated)	5,228	357,383	5,542	-1,977	-80,128	286,048
Profit/(loss) for the period	-	-	-	-	3,370	3,370
Currency translation differences	-	-	-456	-8,295	-	-8,751
Total comprehensive income/(loss) for the period	-	-	-456	-8,295	3,370	-5,381
Issuance of shares	479	302,700	-	-	-	303,179
Transaction costs on equity issues	-	-8,502	-	-	-	-8,502
Share option program	-	-	10,410	-	-	10,410
Balance at 31 December 2021	5,707	651,581	15,496	-10,272	-76,758	585,754

#### 4. Condensed consolidated interim statement of cash flows

USD in thousands	Restated		Restated	
	Q4 2021	Q4 2020	FY 2021	FY 2020
<b>Cash flows from operating activities</b>				
Profit/(loss) before income tax	2,311	(27,775)	1,532	(35,176)
<i>Adjustments for:</i>				
Paid taxes	-	-	(6)	-
Depreciation and amortization	3,711	1,081	10,205	2,582
Net interest income	(63)	(134)	(205)	(329)
Share-based payments expense	3,656	2,004	10,410	3,069
Change in trade and other receivables	1,440	(483)	(781)	(280)
Change in contract liabilities (deferred revenue)	6,784	6,203	15,757	15,879
Change in trade payables	1,468	286	2,752	591
Change in other current assets and other liabilities	(16,460)	25,687	(16,384)	30,720
Interest received	(66)	116	432	372
<b>Net cash flow from operating activities</b>	<b>2,781</b>	<b>6,985</b>	<b>23,712</b>	<b>17,428</b>
<b>Cash flows from investing activities</b>				
Payment for acquisition of subsidiary, net of cash acquired	(102,390)	(34,227)	(366,965)	(34,227)
Payment for intangible assets	(1)	-	(562)	-
Payment for property, plant and equipment	(61)	(50)	(216)	(214)
<b>Net cash from investing activities</b>	<b>(102,452)</b>	<b>(34,277)</b>	<b>(367,743)</b>	<b>(34,441)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of ordinary shares	(114)	215,825	196,575	241,931
Transaction costs on issuance of ordinary shares	-	(9,055)	-	(10,237)
Repayments of lease liabilities	(290)	(175)	(991)	(537)
Paid interest on lease liabilities	1	(20)	(89)	(78)
<b>Net cash from financing activities</b>	<b>(403)</b>	<b>206,575</b>	<b>195,495</b>	<b>231,079</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(100,074)</b>	<b>179,283</b>	<b>(148,536)</b>	<b>214,066</b>
Cash and cash equivalents beginning of the period	206,403	72,493	256,120	40,851
Effects of exchange rate changes on cash and cash equiv.	1,437	4,344	181	1,203
<b>Cash and cash equivalents as of end of period</b>	<b>107,765</b>	<b>256,120</b>	<b>107,765</b>	<b>256,120</b>

## 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 twelve months ending 31 December 2021, have been prepared in accordance with IAS 34 Interim Financial Reporting, and authorized for issue by the board of directors on 16 February 2022. 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 as disclosed in the Q3 report 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).

The comparable figures for 2020 are not restated.

### Change in accounting estimates for deferred revenues

During the second half of 2021, the Group has as disclosed in the Q3 report 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 \$1,716 thousand as per 31 December 2020, offset as reduced recognized revenue (revenue from contracts with customers) of \$1,716 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	(720)	11,285
FY 2020	31,034	(1,716)	29,318

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.

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 was 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%.

In December 2021, the second payment was settled by a combination of cash and issuance of 3,121,747 shares in Kahoot! ASA, whereof 2,605,887 shares at a subscription price of NOK 64.77 per share, and 515,860 shares at a subscription price of NOK 48.08 per share.

### 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.

Transaction costs of \$2,877 thousand arose as a result of the acquisition. 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 \$15,305 thousand to the Group's revenue and negative net income contribution of \$1,603 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 \$117,160 thousand and the Group's profit would have been \$304 thousand.

USD in thousands	Clever
<b>Purchase consideration</b>	
Cash consideration	368,212
Shares issued	76,669
Contingent liability / earn-out	63,033
<b>Total purchase consideration</b>	<b>507,914</b>
<b>Identifiable intangible assets</b>	
Brand	72,647
Technology	31,339
Customer relationships	32,172
Property, plant and equipment	344
Trade and other receivables	8,480
Cash and cash equivalents	9,657
Deferred tax liability	(40,629)
Trade payables and other current liabilities	(16,855)
<b>Total net identifiable assets acquired at fair value</b>	<b>97,154</b>
<b>Total purchase consideration</b>	<b>507,914</b>
<b>Goodwill</b>	<b>410,760</b>
<b>Net cash outflow arising on acquisition</b>	
Cash consideration	355,268
Less: cash and cash equivalents acquired	9,657
<b>Total cash consideration</b>	<b>345,611</b>

### 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 \$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 \$5 million of the initial cash consideration was deferred and settled in the fourth quarter 2021 by a combination of cash and issuance of 274,357 shares in Kahoot! ASA at a subscription price of NOK 93.90 per share

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 \$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 \$275 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 \$2,999 thousand to the Group's revenue and negative net income contribution of \$1,010 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 \$92,029 thousand and the Group's profit would have been \$2,438 thousand.

USD in thousands	Motimate
<b>Purchase consideration</b>	
Cash consideration	11,866
Shares issued	15,412
Contingent liability / earn-out	1,814
<b>Total purchase consideration</b>	<b>29,092</b>
<b>Brand</b>	<b>4,085</b>
<b>Technology</b>	<b>3,448</b>
<b>Customer relationships</b>	<b>998</b>
<b>Property, plant and equipment</b>	<b>4</b>
<b>Trade and other receivables</b>	<b>476</b>
<b>Cash and cash equivalents</b>	<b>2,522</b>
<b>Deferred tax liability</b>	<b>(1,361)</b>
<b>Trade payables and other current liabilities</b>	<b>(1,225)</b>
<b>Total net identifiable assets acquired at fair value</b>	<b>8,947</b>
<b>Total purchase consideration</b>	<b>29,092</b>
<b>Goodwill</b>	<b>20,145</b>
<b>Net cash outflow arising on acquisition</b>	
Cash consideration	11,723
Less: cash and cash equivalents acquired	2,522
<b>Total cash consideration</b>	<b>9,201</b>

### 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 \$697 thousand to the Group's revenue and positive net income contribution of \$21 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 \$91,370 thousand and the Group's profit would have been \$3,648 thousand.

USD in thousands	Whiteboard.fi
<b>Purchase consideration</b>	
Cash consideration	3,600
Shares issued	2,402
Contingent liability / earn-out	4,314
<b>Total purchase consideration</b>	<b>10,316</b>
<b>Identifiable intangible assets</b>	
Brand	982
Technology	1,188
Customer relationships	341
Property, plant and equipment	12
Trade and other receivables	68
Cash and cash equivalents	293
Deferred tax liability	(502)
Trade payables and other current liabilities	(312)
<b>Total net identifiable assets acquired at fair value</b>	<b>2,069</b>
<b>Total purchase consideration</b>	<b>10,316</b>
<b>Goodwill</b>	<b>8,246</b>
<b>Net cash outflow arising on acquisition</b>	
Cash consideration	3,600
Less: cash and cash equivalents acquired	293
<b>Total cash consideration</b>	<b>3,307</b>

### 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	
	Q4 2021	Q4 2020	FY 2021	FY 2020
Subscription revenue - recognized over time	31,668	10,928	88,823	26,030
Sale to schools - recognized over time <sup>1</sup>	842	-	1,258	-
Sale to schools - recognized at point in time <sup>1</sup>	-	115	-	2,235
Other revenue - recognized at point in time	512	212	935	878
<b>Total revenue from contracts with customers</b>	<b>33,022</b>	<b>11,255</b>	<b>91,016</b>	<b>29,143</b>
Other operating income	-	30	249	175
<b>Total revenue and other operating income</b>	<b>33,022</b>	<b>11,285</b>	<b>91,265</b>	<b>29,318</b>

<sup>1</sup> 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	40,489,512	4,048,951	479,265
Balance at 31 December 2021	486,581,479	48,658,148	5,707,355

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	<sup>1)</sup>
17 Sep 21	Share capital increase	730,077	48,318,538	0.10	483,185,375	64.77
16 Dec 21	Share capital increase	339,610	48,658,148	0.10	486,581,479	<sup>2)</sup>

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

<sup>2)</sup> Share issue with NOK subscription price: 93.90/64.77/48.08

## Note 5 - Shareholder information

	Total of 41,700 shareholders per 14 February 2022	Shares (m)	%
1	Glitrafjord AS	41.2	8.5 %
2	Goldman Sachs International	28.9	5.9 %
3	Datum AS	28.0	5.8 %
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	State Street Bank and Trust Comp	18.6	3.8 %
8	Citigroup Global Markets Inc.	13.5	2.8 %
9	State Street Bank and Trust Comp	13.1	2.7 %
10	Folketrygdfondet	12.8	2.6 %
11	Versvik Invest AS	11.2	2.3 %
12	The Northern Trust Comp, London	10.1	2.1 %
13	Newbrott AS	7.6	1.6 %
14	Euroclear Bank S.A./N.V.	6.9	1.4 %
15	Datum Invest AS	6.6	1.4 %
16	State Street Bank and Trust Comp	6.5	1.3 %
17	JPMorgan Chase Bank, N.A., London	6.1	1.3 %
18	Citibank, N.A.	5.7	1.2 %
19	Nordnet Bank AB	5.7	1.2 %
20	J.P Morgan AG	5.7	1.2 %
	Other	198.1	40.7 %
	<b>Total outstanding shares</b>	<b>486.6</b>	<b>100.0 %</b>
	Outstanding share options	25.1	
	<b>Total no. of shares (fully diluted)</b>	<b>511.7</b>	

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

## Note 6 - Related party transactions

In the fourth quarter, the Group acquired services for \$75K from Glitrafjord AS, a company 100% owned by the CEO.

## 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 31 December 2021.

## Note 8 - Restated comparative figures for 2020

During the second half of 2021, the Group has as disclosed in the Q3 report 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 \$1,716 thousand as per 31 December 2020, offset as reduced recognized revenue (revenue from contracts with customers) of \$1,716 thousand in 2020.
- *FY 2020:*  
Deferred cost of sales (classified as other current assets) increased by \$73 thousand as per 31 December 2020, offset by reduced cost of sales of \$73 thousand in 2020.

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

Below is restated comparative figures for 2020.

#### **Prior period correction**

For 2020, currency translation differences relating to goodwill and intangible assets arising from the acquisitions of Actimo and Drops were included in net foreign exchange gains (losses) under consolidated statement of profit or loss instead of as exchange differences on translation of foreign operations under consolidated statement of comprehensive income or loss.

As a result, net foreign exchange losses were overstated by \$ 1,602 thousand, whereas exchange differences on translation of foreign operations were understated by \$1,602 thousand. Effect on equity is a reclassification between foreign currency translation reserves and accumulated deficit. The correction had no effect on cash balances.

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	(1,720)	4	29,143
Other operating income	175	-	-	175
<b>Total revenue and other operating income</b>	<b>31,034</b>	<b>(1,720)</b>	<b>4</b>	<b>29,318</b>
Cost of sales	3,790	(73)	-	3,717
Employee benefit expenses	31,625	-	-	31,625
Other operating expenses	11,553	-	-	11,553
<b>Operating profit/(loss) before deprec. and amortiz. (EBITDA)</b>	<b>(15,936)</b>	<b>(1,647)</b>	<b>4</b>	<b>(17,577)</b>
Amortization of intangible assets	1,897	-	-	1,897
Depreciation	685	-	-	685
<b>Operating profit/(loss) (EBIT)</b>	<b>(18,517)</b>	<b>(1,647)</b>	<b>4</b>	<b>(20,159)</b>
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)	1,602	-	(15,908)
<b>Net financial income (expenses)</b>	<b>(16,619)</b>	<b>1,602</b>	<b>-</b>	<b>(15,017)</b>
<b>Profit/(loss) before income tax</b>	<b>(35,136)</b>	<b>(45)</b>	<b>4</b>	<b>(35,176)</b>
Income tax	(656)	-	-	(656)
<b>Profit/(loss) for the period</b>	<b>(34,481)</b>	<b>(45)</b>	<b>4</b>	<b>(34,520)</b>

## Restated consolidated statement of comprehensive income or loss

USD in thousands	As reported 2020	Kahoot! Adj 2020	Drops Adj 2020	Restated 2020
<b>Profit/(loss) for the period</b>	<b>(34,481)</b>	<b>(45)</b>	<b>4</b>	<b>(34,520)</b>
Other comprehensive income/(loss):				
Items that might be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations	(325)	(1,602)	-	(1,927)
Item that are not reclassified to profit or loss:				
Exchange difference on translation to another presentation currency	17,413	-	-	17,413
<b>Total comprehensive income/(loss) for the period</b>	<b>(17,392)</b>	<b>(1,647)</b>	<b>4</b>	<b>(19,034)</b>



## Restated consolidated balance sheet

USD in thousands	As reported 31.12.2020	Kahoot! Adj 2020	Drops Adj 2020	Restated 2020
<b>ASSETS</b>				
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	-	-	-	-
<b>Total non-current assets</b>	<b>115,692</b>	<b>-</b>	<b>12</b>	<b>115,704</b>
Trade receivables	2,671	-	486	3,157
Other current assets	3,316	73	(143)	3,246
Cash and cash equivalents	256,120	-	-	256,120
<b>Total current assets</b>	<b>262,108</b>	<b>73</b>	<b>343</b>	<b>262,524</b>
<b>TOTAL ASSETS</b>	<b>377,800</b>	<b>73</b>	<b>355</b>	<b>378,228</b>
<b>EQUITY AND LIABILITIES</b>				
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)	(1,602)	-	(1,977)
Accumulated deficit	(79,373)	(45)	4	(80,130)
<b>Total equity</b>	<b>288,406</b>	<b>(1,647)</b>	<b>4</b>	<b>286,047</b>
Lease liabilities	2,312	-	-	2,312
Deferred tax liability	5,843	-	-	5,843
Other non-current liabilities	15,447	-	-	15,447
<b>Total non-current liabilities</b>	<b>23,602</b>	<b>-</b>	<b>-</b>	<b>23,602</b>
Lease liabilities	964	-	-	964
Trade payables	1,817	-	-	1,817
Contract liabilities (deferred revenue)	27,899	1,720	351	30,686
Other current liabilities	35,111	-	-	35,111
<b>Total current liabilities</b>	<b>65,791</b>	<b>1,720</b>	<b>351</b>	<b>68,578</b>
<b>Total liabilities</b>	<b>89,393</b>	<b>1,720</b>	<b>351</b>	<b>92,180</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>377,800</b>	<b>73</b>	<b>355</b>	<b>378,228</b>

## Restated consolidated statement of cash flows

USD in thousands	As reported 2020	Kahoot! Adj 2020	Drops Adj 2020	Restated 2020
<b>Cash flows from operating activities</b>				
Profit/(loss) before income tax	(35,136)	(45)	4	(35,177)
<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	(73)	(486)	(280)
Change in contract liabilities (deferred revenue)	13,807	1,720	351	15,878
Change in trade payables	591	-	-	591
Change in other current assets and other liabilities	32,191	(1,602)	131	30,720
Interest received	372	-	-	372
<b>Net cash flow from operating activities</b>	<b>17,426</b>	<b>-</b>	<b>-</b>	<b>17,426</b>
<b>Cash flows from investing activities</b>				
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)
<b>Net cash from investing activities</b>	<b>(34,441)</b>	<b>-</b>	<b>-</b>	<b>(34,441)</b>
<b>Cash flows from financing activities</b>				
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)
<b>Net cash from financing activities</b>	<b>231,079</b>	<b>-</b>	<b>-</b>	<b>231,079</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>214,064</b>	<b>-</b>	<b>-</b>	<b>214,064</b>
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
<b>Cash and cash equivalents as of end of period</b>	<b>256,120</b>	<b>-</b>	<b>-</b>	<b>256,120</b>

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