the FUTURE of LEARNING

Kahoot!

2021

KAHOOT! GROUP ANNUAL REPORT

INDEX

our MISSION

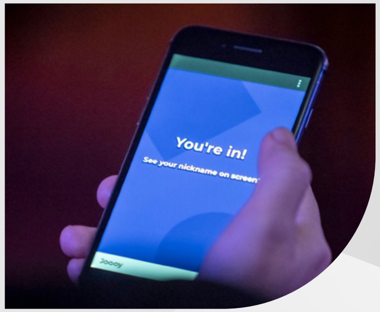
TO MAKE LEARNING AWESOME

our VISION

TO BUILD THE LEADING LEARNING PLATFORM IN THE WORLD

our VALUES

WE ARE PLAYFUL
WE ARE CURIOUS
WE ARE INCLUSIVE



ABOUT KAHOOT!

KAHOOT! IS A GLOBAL LEARNING AND AUDIENCE ENGAGEMENT PLATFORM COMPANY THAT AIMS TO EMPOWER EVERYONE, INCLUDING CHILDREN, STUDENTS, AND EMPLOYEES, TO UNLOCK THEIR FULL LEARNING POTENTIAL.

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. In addition, 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.

Kahoot! offers free and paid plans, as well as a massive library of ready-to-use content, designed for use in the classroom, at work—whether in-person or virtual—or at home for social use or self-study. Today, Kahoot! is used by over 9 million teachers globally, hundreds of millions of students and families, and in 97% of Fortune 500 companies.

In the last 12 months, more than 300 million sessions have been hosted on the Kahoot! platform with 2 billion non-unique participants in 200 countries and regions. Kahoot! currently serves over one million paying users from its headquarters in Norway and 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!

THE ENGAGEMENT BRAND

Since 2013, Kahoot! has built a globally recognized brand for learning and engagement at work, at school and at home. With billions of participants across more than 200 countries and regions, and different user segments and learning contexts, the Kahoot! brand is reaching and touching the lives of many. A 2021 report by brand consultancy **Interbrand** echoed this, showing Kahoot!'s Global Brand Strength as one of three main valuation parameters with long-established global brands such as YouTube, Nintendo and Sony.

The report cited passionate users, clear direction and innovation as key attributes that set Kahoot! apart and contribute to its strong brand value. According to Interbrand's analysis, "there is a deeper sense of connection that users feel with Kahoot!" beyond the learning benefits, continuing, "Kahoot! is a company that users say they love more than competitors across different segments."

A steady drumbeat of user-centric innovation was also highlighted as a standout factor in building Kahoot!'s strong brand. Surveys conducted for the report showed US and UK respondents describing Kahoot! as, in some cases, up to 30% more innovative than the competitor average in each segment.

Continuing to leverage and build on these attributes that resonate with users will be a key priority for the Kahoot! Group going forward as we progress on our strategic roadmap, and we believe this leads us to an exciting future ahead. Interbrand concluded: "The market opportunity for Kahoot! is huge, with the EdTech market set to grow substantially, along with hybrid working soon to become the norm. In a highly fragmented market, Kahoot! is well placed to take advantage of these tailwinds."

Emily Rose
@EmilyRose_555

I am 22 I have been out of high school for 5 years. But let me tell you I get HYPED when we play kahoot at work during training.

Turnip Parsnip 🥕 Vegetable Inspect...
@BlasterOfArt

Replying to @jkirk__

I was reviewing some work and for a daily draw prompt of "draw something that isn't an Olympic sport but FEELS like it," this kid drew the Kahoot logo and I wheezed

MACSDrama
@MacsDrama

Competitive?! Moi?! Never .... @Kahoot 🤪

Kathleen Brinson
@KathleenBrinso3

Students ❤️ @Kahoot The competition is fierce, y'all #learningisfun #middleschool

🌱 wild riss 😌✌🏽
@wildriss_

my anxiety on the 5th day in training, telling us we were going to take our 1st call today: 📈
my anxiety when they told us we are ending the day playing kahoot: 📉

JD
@JD_Dillon

Who has NOT played a game in @Kahoot over the past 2 years?

rachypoo
@raqelan

won $50 from the Kahoot quiz at work today ... up from here 📈💰

Jessica Williams
@JWilliamsESL

My favorite question when playing @Kahoot is "Do we have to use our real names?" Today one of my #MLLs used MY name and she (*I*) won! This 6th grade class went wild 🤪 trying to beat her (*me*). #SkyhawkPride #Kahoot

Caitlin Lane
@mscaitlinlane

We used @Kahoot this afternoon to talk about feelings and emotions, and the importance of reflecting on our emotions! It was a great way to switch up our learning ✔️

Kristina Rozum(a)
@kristinarozum

All those kahoot games at work, prepared me for this moment 💪💪💪 2nd place in surprising kahoot game in cinema

OUR BRANDS

THE KAHOOT! GROUP CONSISTS OF THE FOLLOWING BRANDS:

The **Kahoot!** brand represents the original Kahoot! learning platform that is synonymous with learning and engagement, no matter the subject, age, audience or context.

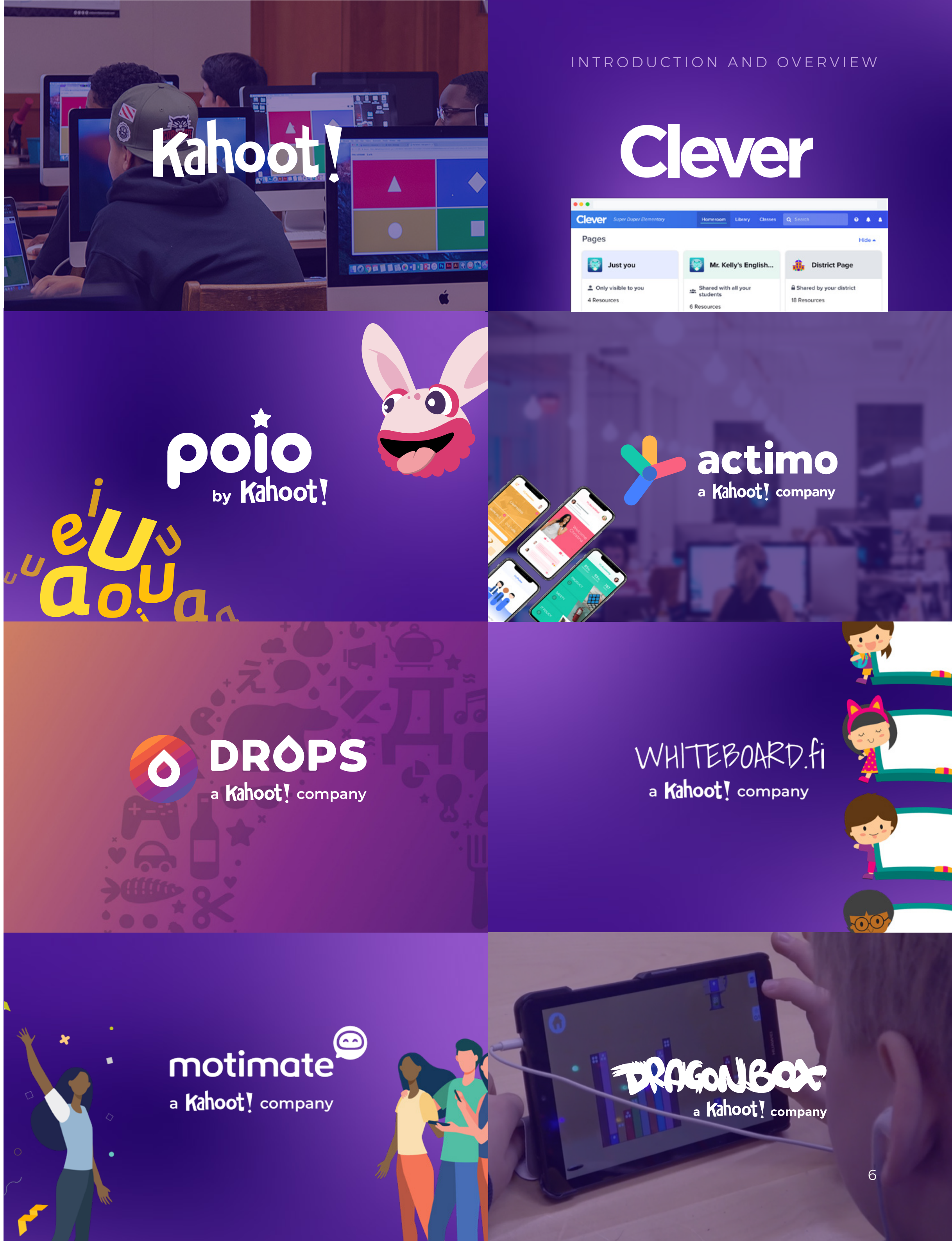
Clever brings schools, teachers, students and education application developers together in a single sign-on digital learning platform that simplifies accessible learning.

Organizations can connect and engage their work teams with **Actimo** and **Motimate**, our employee engagement and learning platforms.

Learners of all ages can make language learning natural with immersive visuals and play through our **Drops** apps.

The **Kahoot! DragonBox** series of apps takes math learning to a new level, while the **Kahoot! Poio Read** app empowers children to learn to read through play.

Whiteboard.fi, the online whiteboard, provides powerful learning tools for educators, teachers and classrooms worldwide.



MARKET ENVIRONMENT

2021 was a year that was significantly impacted by Covid 19, and the accelerated adoption of digital tools continued both in the educational sector and in employee engagement and learning. 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. However, the competitive market remains fragmented across our main segments.

In the educational sector, the growth in adoption has shown educators and learners how much value technology can bring to increase learning outcomes and engagement. These structural changes have provided significant future opportunities to deploy software at a larger scale across institutions. Kahoot!, with our leading toolbox of learning and engagement solutions, is positioned to reap the benefits as school and district buyers look to deploy best-in-class technology – with Clever simplifying the distribution and deployment in a fragmented market.

Corporations globally are struggling with retaining and attracting talent, combined with challenges introduced by the remote or hybrid way of working. This puts a stronger emphasis on the importance of building company culture, increasing employee's engagement levels and upskilling the current workforce. We expect to see the demand for Kahoot!'s at work products continue to grow as a result of these underlying megatrends.

THE KAHOOT! JOURNEY

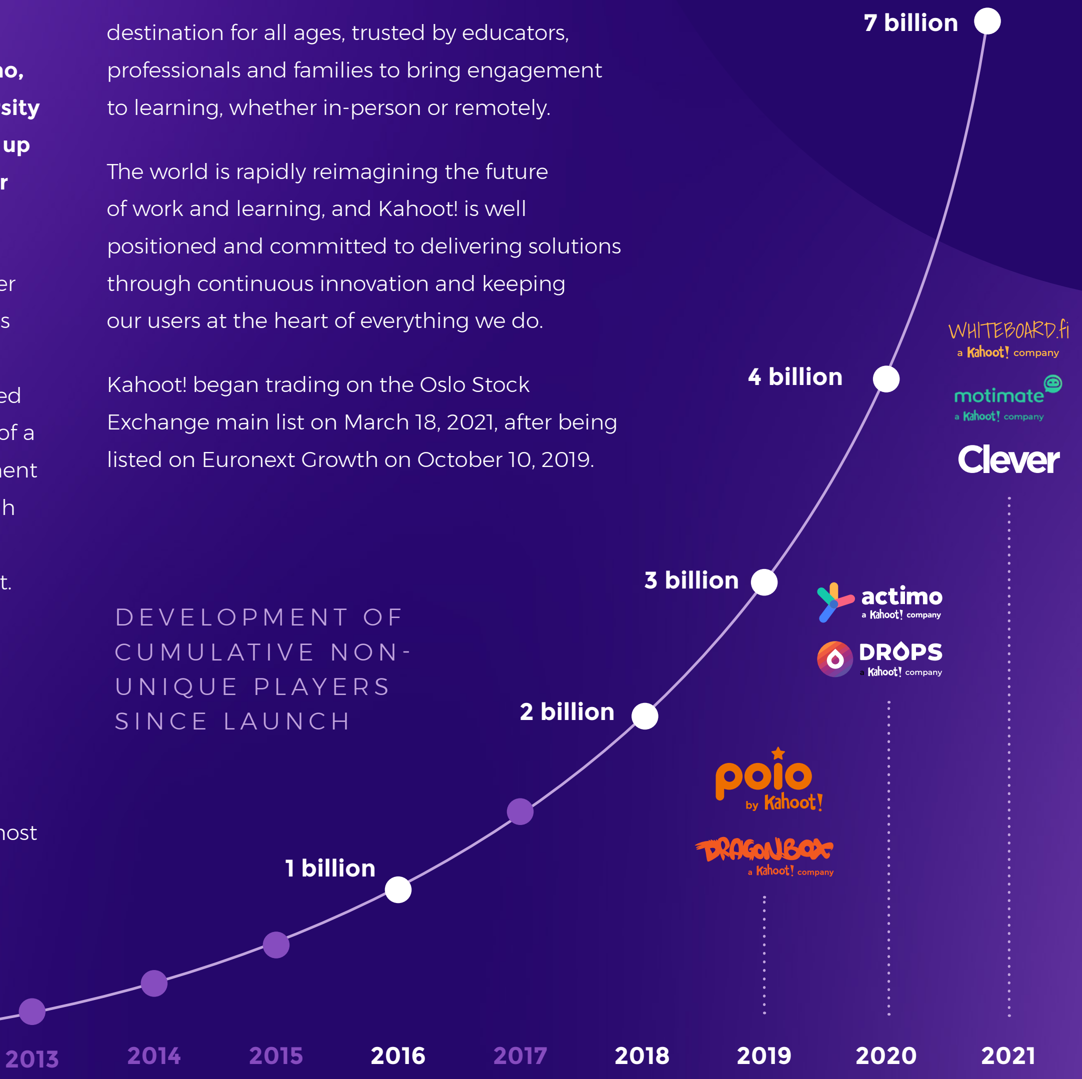
Kahoot! was founded in 2012 by Morten Versvik, Johan Brand, and Jamie Brooker who, in a joint project with the Norwegian University of Science and Technology (NTNU), teamed up with Professor Alf Inge Wang, and were later joined by entrepreneur Åsmund Furuseth.

Using technology based on Kahoot! co-founder Morten Versvik's research for his Master's thesis at NTNU, the Kahoot! beta was rolled out at SXSWEdu in March 2013 and officially launched in September 2013, which marked the arrival of a new way to ensure attention, create engagement and provide knowledge in classrooms. Through 2018, Kahoot! was on a fast growth trajectory with a focus on the U.S. K-12 education market.

In 2018, we launched our first commercial versions of Kahoot! for school and corporate audiences, as well as mobile apps for iOS and Android. Since then, the Kahoot! Group has expanded with the acquisition of seven companies, most recently Clever, one of the most widely-used digital learning platforms in the U.S. Kahoot! has become an ultimate learning destination for all ages, trusted by educators, professionals and families to bring engagement to learning, whether in-person or remotely.

The world is rapidly reimagining the future of work and learning, and Kahoot! is well positioned and committed to delivering solutions through continuous innovation and keeping our users at the heart of everything we do.

Kahoot! began trading on the Oslo Stock Exchange main list on March 18, 2021, after being listed on Euronext Growth on October 10, 2019.



2013-18

Launched September 2013

Top 3 tool in US education

Launched first commerical editions with 40K paid subscription

75+ employees and contractors

2019

New commercial subscription editions for all segments

Reaching 170K paid subscriptions

Acquisition of **Poio and DragonBox**

120+ employees and contractors

2020

More commercial offerings, and **over 675K** paid subscriptions

Launched first **platform service**

Acquisition of **Actimo** and **Drops**

200+ employees and contractors

2021

More features and over 1.1M paid subscriptions

Available in over **11 languages**

Acquisition of **Whiteboard.fi, Motimate** and **Clever**

500+ employees and contractors

LETTER FROM THE CEO

DEAR SHAREHOLDERS,

2021 was a year of achieving milestones, solid growth and expansion for the Kahoot! Group. As the world continues to experience pressing challenges and re-imagine the future of learning and work, we at Kahoot! have stayed committed to our mission of making learning awesome for everyone, worldwide. This mission fuels our work at Kahoot! every day as we continue to deliver robust solutions and impactful experiences for all our users, whether at work, at school or at home.

Adoption of Kahoot! reached new heights in 2021 with record-level activity and continued strong organic growth on the core Kahoot! platform. After steady growth through our 9-year history, we brought 2021 to a close with **7 billion non-unique participants** since launch and **2 billion non-unique participants** in 2021 alone. We have also seen Kahoot!'s presence increase globally, with **14 languages** now supported making Kahoot! more accessible for learners of all ages around the world. Kahoot! is now used in more than 200 countries and regions, with North America continuing to grow as our largest market, as well as in European markets such as Germany and Spain and in APAC, including Japan.

EXPANDING THE KAHOOT! GROUP AND STRATEGIC INITIATIVES

Throughout 2021, the Kahoot! team continued to execute on our strategy and ambitious roadmap towards our vision of building the world's leading learning platform. We progressed in building our globally recognized brand with a viral distribution model, based on a scalable technology platform.

We have made key progress in strategic initiatives at Kahoot!, including the commercialization of Kahoot! Academy—our global knowledge platform, online community and marketplace—with the launch of the subscription service **Kahoot!+ AccessPass**. This represents the first commercial service on the emerging global digital marketplace on Kahoot!, which will enable learning content creators to join the growing creator economy and share their knowledge with learners around the world. 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.

Over the course of the year, we further strengthened our offerings in our work, school and home segments by acquiring three companies – employee engagement and learning platform **Motimate**, online whiteboard and learning tool **Whiteboard.fi**, and our largest acquisition to date: **Clever**, a single-sign-on education network and a leading U.S. K-12 EdTech learning platform.

The acquisition of Clever was a significant milestone for the Kahoot! Group. Together, Kahoot! and Clever will provide improved digital learning solutions and offerings for educators, students, parents, schools and districts globally, helping learners unleash their full learning potential. By joining forces with Clever, we are continuing to add value to Kahoot!'s already strong presence in the U.S. education sector and similarly will provide the opportunity to extend Clever's platform across Kahoot!'s existing global reach in the years to come.

Our continuous focus on realizing synergies across the Group's diverse portfolio has yielded solid results in a year where we further expanded our audience engagement offerings for all customer groups, launching a host of new innovative features and products.

A FORCE FOR GOOD

Throughout the Kahoot! Group, we maintain a culture that is passionate about making learning more accessible, equitable and inclusive for all. The global challenges of 2021 made this goal more important than ever, and we were already set up to support and empower both educators and learners of all ages. As the Omicron variant led to worldwide teacher shortages, we launched the **Kahoot! EDU Support Program**, designed to help teachers and school administrators keep their students connected and engaged in learning in the classroom or remotely by offering free 60-day site licenses for all staff members in any school or district.

Additionally, we introduced a number of new features to enable more inclusive learning, including our **Read Aloud** feature to assist younger learners not yet proficient at reading, support language learners and provide a friendly and stress-free experience for learners with reading and visual impairments. We also added support for multiple new languages, making it easier for learners around the world to navigate the platform and access the learning benefits of Kahoot!.

In the workplace, as many employees returned to the office fully or part-time in hybrid work models, Kahoot! served to help employees reconnect, build teamwork and strengthen company culture, as well as creating experiences where remote team members could feel included, engaged and heard, no matter their location. The pandemic-era employee exodus known as the "Great Resignation" has led to a rising focus on retaining and attracting talent in companies globally, in addition to a growing interest in upskilling among professionals. With Kahoot! at Work, Actimo and Motimate, we are offering both businesses and professionals dynamic solutions to keep teams connected, energized and engaged, and to create company cultures of learning that support employees from onboarding to career advancement and lifelong learning.

Read our **Stakeholder Impact Report** to learn more about how Kahoot! is working to make a positive difference for learners of all ages globally.

ONWARDS TO AWESOME LEARNING IN 2022

As we reflect on all the challenges and opportunities 2021 brought us, I'm proud of what we have achieved together, as a team with focus and ambition to put magic learning moments at everyone's fingertips. I continue to be inspired every day by the passion of our K!rew members to support educators and learners of all ages in everything we do.

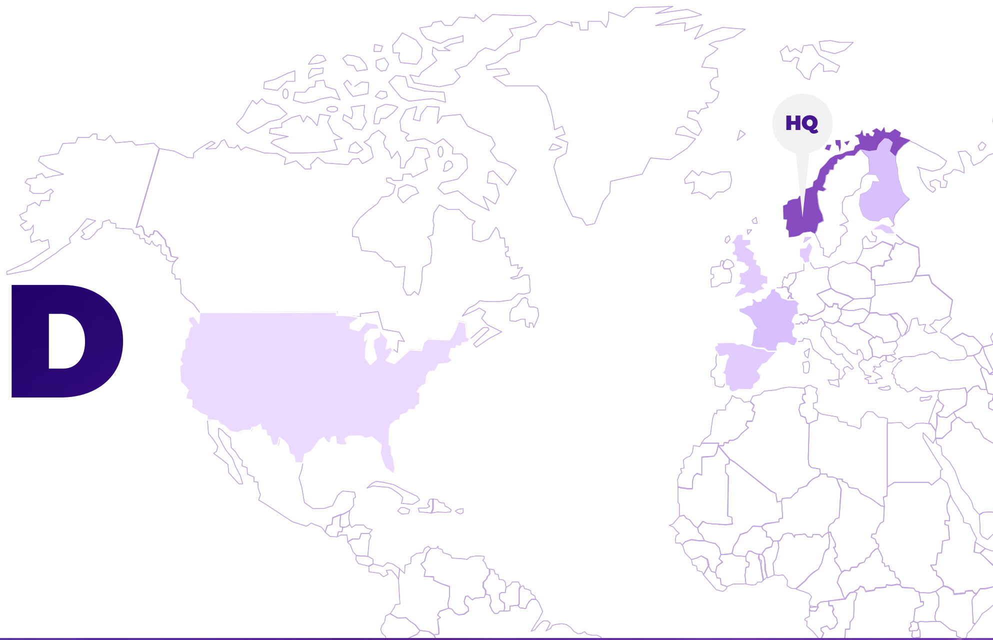
Looking toward the year ahead, I'm excited to continue collaborating with our team members across the Kahoot! Group, as well as partners and stakeholders, to equip our users with the solutions they need to bring their boundless creativity and enthusiasm for learning to life. On this road to making learning awesome, we believe we are just getting started.

Sincerely,

EILERT GIERTSEN HANOA
CEO

2021 IN REVIEW

FACTS AND FIGURES



500+
K!REW MEMBERS AND CONTRACTORS ACROSS THE GLOBE

9M+
ACTIVE EDUCATORS ON THE KAHOOT! PLATFORM IN 2021

2B
NON-UNIQUE PARTICIPANTS IN 2021 AND 7B SINCE 2013

1.1M+
PAID SUBSCRIPTIONS

30M+
ACTIVE ACCOUNTS IN 2021

45+
NATIONALITIES ACROSS THE TEAM

$107M
INVOICED REVENUE FOR 2021, **GROWING 137% YOY**

100M+
USER-GENERATED KAHOOTS

300M+
SESSIONS HOSTED ON KAHOOT! IN 2021

200+
COUNTRIES AND REGIONS THAT HAVE USED KAHOOT! OFFERINGS

Kahoot! AT WORK

ENERGIZING WORK TEAMS—ANYTIME, ANYWHERE

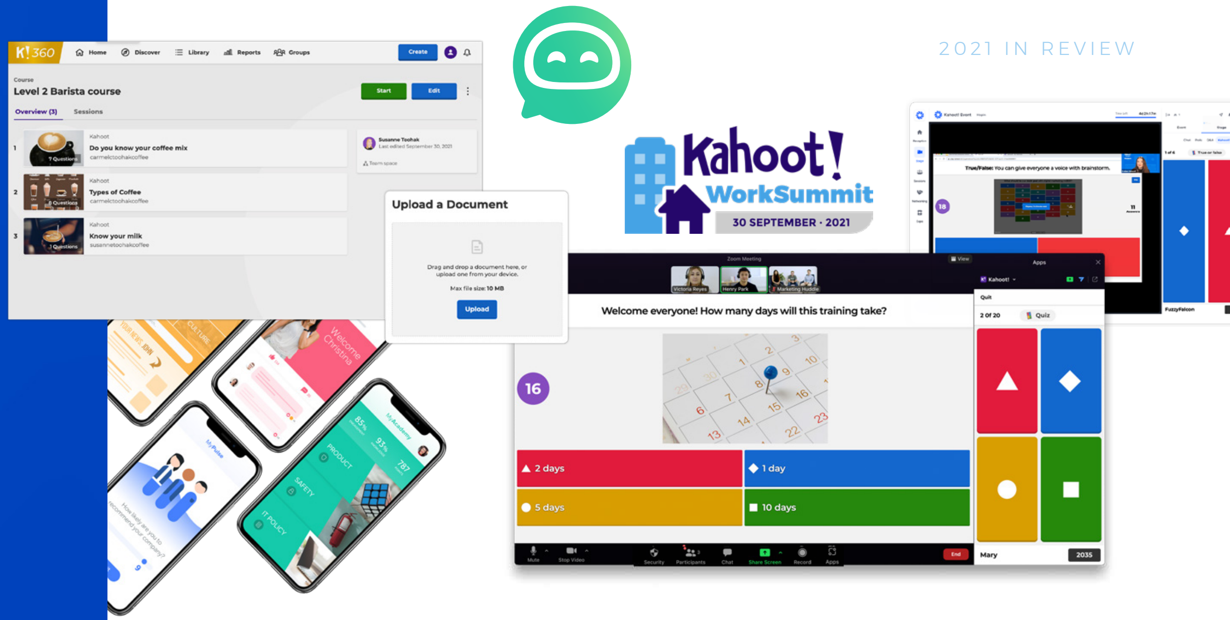
Used in 97% of Fortune 500 companies, Kahoot! occupies a bespoke space at the intersection of employee engagement, corporate learning, training and culture building. In 2021, the business area finalized some of its largest commercial deals to date, while continuing to expand and enrich its offering with 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, reaching **490,000 subscriptions** in Q4 2021.

In 2021, we also introduced the **Kahoot! Zoom App** and integrated with **Hopin** to bring even more engagement and learning to virtual meetings and events. Professionals gathered to learn about employee engagement and the future of internal communication at our virtual **WorkMeetup** events. Additionally, we shared insights into the current state of company culture in our **Workplace Culture Report**, which showed how essential connection and engagement is to maintaining a happy and productive team.

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.

See kahoot.com/business for customer references



97%

OF THE FORTUNE 500 ARE USING KAHOOT!

490K

PAID USERS IN THE WORK SEGMENT

> **With Kahoot!, we now have exciting new communications possibilities.**
>
> **CARMEN SALCIDO**
> PROJECT LEADER AT COPPEL

> **My team has been using Kahoot! for years – even before I joined. Kahoot! is a key part of our toolbox, and it works really well for our audience as they're young and love Kahoot!**
>
> **ALESSANDRO FERRARIO**
> CANDIDATE ENGAGEMENT SPECIALIST AT THE ADECCO GROUP

Kahoot! AT SCHOOL

ENGAGING STUDENTS OF ALL AGES IN THE CLASSROOM AND BEYOND

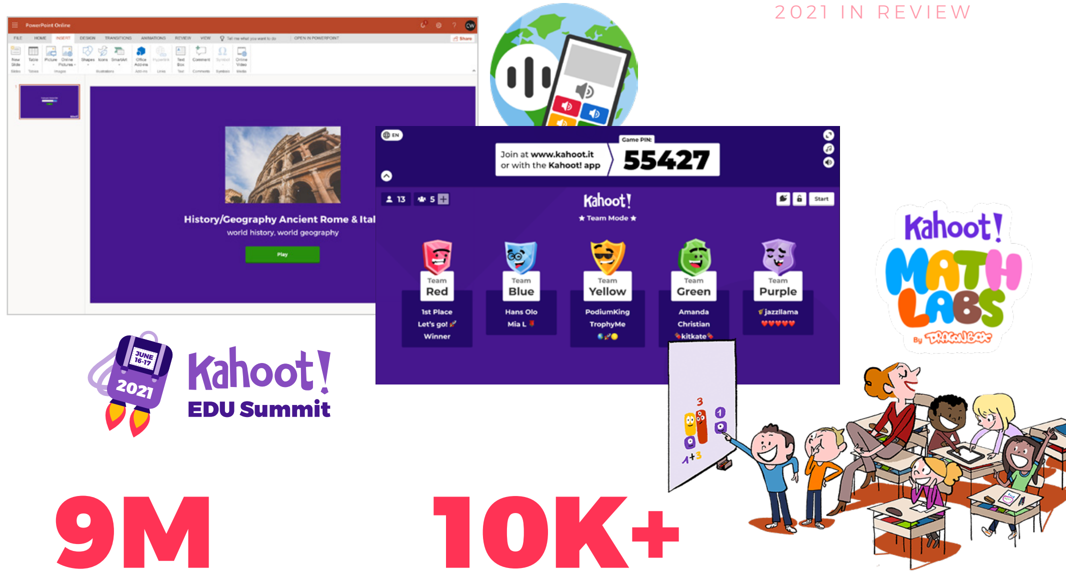
Educators across the world make learning awesome with Kahoot! by tapping into the vast, inherent potential for playful education experiences to unlock every student's learning potential. During a period of disruption and uncertainty due to the Omicron variant for educators and students globally, Kahoot! further evolved its offerings to more than **9 million teachers** (LTM), hundreds of millions of students and thousands of schools, campuses, universities and districts, reaching **365,000 subscriptions** in Q4 2021 .

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.

We were also thrilled to connect with over 30,000 educators at the second annual **Kahoot! EDU Summit** in June, as well as the **Kahoot! EDU Meetups** in spring and fall, to support them with resources, knowledge and inspiration.

Last year, we welcomed **Whiteboard.fi** to the Kahoot! family of learning platforms, and introduced a variety of highly-anticipated features, including the single screen option, the read aloud feature and **Courses** for educators. We also unveiled the much-requested integration with **Microsoft PowerPoint** and collaborated with **Google Search** to bring Kahoot! math practice problems right to the Google Search results page.

See kahoot.com/schools for customer references



9M

ACTIVE TEACHERS ON THE PLATFORM

10K+

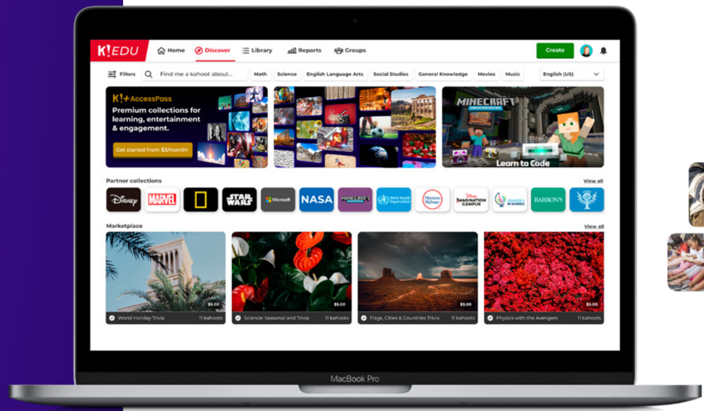
EDUCATIONAL INSTITUTIONS DEPLOYING MULTI-USER KAHOOT! TEACHER LICENSES

> **...even as a university lecturer, I myself felt motivated by the competition. I thought, *I want my students to get that experience.***
>
> **DR. FATMA ALZAHRAA A. ELKHAMISY**
> LECTURER OF PATHOLOGY AT HELWAN UNIVERSITY, FACULTY OF MEDICINE, EGYPT

> **Kahoot! has always been much more than an assessment and review tool for me. I've been actively using it to teach, and it's been extremely helpful when my entire class has been fully remote.**
>
> **JENNIFER VAN BLAIR**
> 5TH GRADE TEACHER IN CALIFORNIA, USA

Kahoot! ACADEMY

CONNECTING MILLIONS AND ENABLING ONE OF THE LARGEST GLOBAL CREATOR COMMUNITIES IN LEARNING



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, 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.

Each month, more than **40 million non-unique participants** globally engage with ready-to-use learning content from trusted content creators and partners such as Disney, NASA, Minecraft, Microsoft and more. We also introduced our first collections and courses for business users, such as the popular anger management course from Angry Birds.

After a year of social distancing made connection and community more important than ever, we launched **Kahoot! Academy Connect**, enabling educators and publishers to join and create learning communities of their own, as well as providing parents and learners globally with easier access to learning content from the educators and brands they love.

In 2021, we made significant progress in Kahoot! Academy's commercialization with the launch of the subscription service **Kahoot!+ AccessPass**. This represents the first commercial service on **Kahoot!'s global digital marketplace**, 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, professionals and learners.

40M+

NON-UNIQUE PARTICIPANTS MONTHLY

270M+

NON-UNIQUE PARTICIPANTS OF KAHOOTS BY VERIFIED EDUCATORS

Kahoot! Academy gives us the opportunity to create content that is fun and entertaining while keeping kids thinking and asking questions.

KATY FENN
DIRECTOR, WILD CLASSROOM AT WORLD WILDLIFE FUND, A KAHOOT! ACADEMY PARTNER

Explicit teaching of SEL skills is core to student success, as is making learning fun! Kahoot! helps us do both.

ELAD GRAIVER
PRINCIPAL PRODUCT MANAGER AT MICROSOFT EDUCATION, A KAHOOT! ACADEMY PARTNER

Kahoot! AT HOME

BRINGING FAMILIES AND FRIENDS TOGETHER FOR LEARNING FUN

Spearheaded by the Kahoot!+ offering and encompassing award-winning Kahoot! apps by DragonBox, Poio and Drops, Kahoot!'s ad-free platform and apps enable families, students and children to connect and learn in an engaging way at home, either through self-study or family fun.

In the last 12 months, more than 10 million families and social users have played over **100 million kahoots**, and Kahoot! at Home & Study reached **255,000 paid subscriptions** in Q4 2021.

2021 was a significant year for the Home segment's commercialization progress marked by the launches of the Kahoot!+ premium subscription plans, Kahoot!+ Study and Kahoot! Kids. The **Kahoot!+** offering gives families a new way to engage kids with studying at home, unleash learning during family time and connect with friends and loved ones whether in-person or virtually.

We also renewed our commitment to supporting learners of all ages with two new tailored offerings. **Kahoot!+ Study** seeks to make study more fun, impactful and effective for higher education students, leveraging Kahoot!'s position as a trusted learning tool for hundreds of millions of participating students. Additionally, **Kahoot! Kids**, a safe and exploratory experience for young learners within the Kahoot! app, expands Kahoot!'s demographic relevance with a bespoke, pedagogically robust product to engage a family audience.

Users have also been able to be more creative than ever with their learning sessions through our integration with **GIPHY**, and now with Kahoot! supporting **Apple's SharePlay in FaceTime**, it's even easier for families and friends to play together from anywhere.

10M+

ARE USING KAHOOT! AT HOME

100M+

GAMES PLAYED BY FAMILIES

> **Even when I was studying on my own time, I wanted to see how many points I could get and how long I could keep a streak going.**
>
> ZOË GREBLUNAS
> STUDENT FROM NEW JERSEY, USA

> **To quote as my daughter said, 'I love kahoot because it gives me some entertainment, knowledge and fun time with my friends.'**
>
> SANDHYA
> PARENT FROM SANTA CLARITA, CA

Clever

UNLOCKING NEW WAYS TO LEARN FOR ALL STUDENTS WITH 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 approximately 450 are 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.

As educators and students across the U.S. returned to the classroom, Clever helped to make this transition as smooth as possible, with **1.4 million monthly active teachers and 22 million monthly active students using Clever**. More than 765,000 free and freemium applications were downloaded by teachers in the Clever library.

Clever and Kahoot! continue to extract synergies and explore opportunities, with Kahoot! seeking to expand its considerable footprint across K-12 schools in the U.S.. 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.

22M+

MONTHLY ACTIVE STUDENTS

96

OF THE TOP 100 DISTRICTS IN THE U.S. USE CLEVER

> **Clever really is this magical place where students can go and everything they need is just one click away.**
>
> **DOUG LAING**
> GLENDALE UNIFIED SCHOOL DISTRICT
> GLENDALE, CA

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

WE BELIEVE ENGAGING LEARNING IS THE KEY TO DEVELOPMENT AND EMPOWERMENT AT SCHOOL, AT HOME AND AT WORK. KAHOOT!'S FOCUS AS A COMPANY IS TO OPERATE IN A SUSTAINABLE WAY, IN ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS.

Kahoot!'s mission to make learning awesome is an electric current that runs through our organization, our products and our employees. The awareness of our role in empowering education globally across all learning demographics is in our DNA. As such, the Kahoot! Group remains abundantly aware of the responsibilities we bear in contributing to the global education of millions in schools, homes, and workplaces. This is evidenced by our commitment to advancing in particular Sustainable Development Goal 4 through the growing accessibility of our platform, innovating impactful new solutions, and tangibly supporting educators wherever we can have the greatest impact.

Learn more about how Kahoot! is taking action to support brighter futures for all by reading our **Stakeholder Impact Report**.

The Stakeholder Impact Report refers to the financial year of 2021 and covers Kahoot! specifically, unless otherwise noted in the report. The contents of the report complies with the Norwegian Accounting Act section 3-3c and reporting on the Ten Principles of the UN Global Compact ("**UNGC**"). The report represents our first Communication on Progress ("**CoP**") to the UN Global Compact, where Kahoot! ASA became a participant in March 2021.

Additionally included in the **Stakeholder Impact Report** is our published work on gender pay gap analysis, in accordance with reporting requirements that came into force as of 1 January 2020, as part of the Norwegian Equality and Anti-Discrimination Act.

SUSTAINABLE DEVELOPMENT GOAL 4

To ensure inclusive and equitable quality education and promote lifelong learning opportunities for all by 2030

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Kahoot! ASA ("**Kahoot!**" or the "**Company**", and together with its direct and indirect subsidiaries, the "**Group**") is a public limited liability company established under Norwegian law. Kahoot! is subject to specific rules and regulations in the countries where the Group conducts business. Kahoot! was admitted to trading on Oslo Stock Exchange on 18 March 2021. As an issuer of shares, Kahoot! complies with and operates in accordance with rules governing the Norwegian stock exchange, including the at any time applicable rules on Continuing Obligations of Listed Companies as approved by Oslo Børs ASA, with reference to the Norwegian Code of Practice for Corporate Governance (the "**Code**") in its latest edition of 14 October 2021, issued by the Norwegian Corporate Governance Board. The Code is available at http://www.nues.no/. This corporate governance report (the "**Report**") follows the system used in the Code.

The corporate governance principles and practices as required by section 3-3b of the Norwegian Accounting Act and the details of how Kahoot! complies with the Code are accounted for in this Corporate Governance Report.

The Articles of Association do not contain provisions that deviate from Chapter 4 and 5 of the Norwegian Public Limited Liability Companies Act. The information requirements in the Norwegian Accounting Act are integrated into the statement below where appropriate. This also applies to information about shareholder matters.

This report on corporate governance for 2021 was approved by the board of directors of Kahoot! on 20 April 2022.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Kahoot!'s corporate governance policy is based on the Code, and as such designed to establish a basis for good corporate governance to support achievement of the Company's core objectives on behalf of its shareholders, including the achievement of sustainable profitability.

By pursuing the principles of corporate governance, the board of directors and management contributes to achieving open communication, equal rights for all shareholders and good control and corporate governance mechanisms. The board of directors assesses and discusses Kahoot!'s corporate governance policy on a yearly basis.

Kahoot! aspire to comply with the recommendations of the Code. If the Code is deviated from, the deviation is described and explained in the relevant section of this statement.

Deviations from the Code: No deviations from the Code.

2. BUSINESS

Kahoot!'s articles of association are available on Kahoot!'s website (https://kahoot.com/investor/resources/#governance). Kahoot!'s business scope is clearly described in section 3 of the articles of association which sets clear limits for its content:

> *The company will offer technology and other concepts applicable to an educational environment, as well as any other activity naturally associated with these objectives.*

Kahoot! is a global educational technology (EdTech) and enterprise software as a service (SaaS) company that develops a digital learning and engagement platform (the "**Kahoot! platform**"). The Group has a comprehensive offering of engaging tools for all kinds of learning and audience interaction that is used in schools and universities as well as in business and in any social and learning context, whether in person or virtually.

Kahoot!'s mission is to make learning awesome and Kahoot!'s vision is to become the world's leading learning platform. The Group's strategic focus is to continuously improve the value proposition within its product offerings and accelerate user growth, engagement and number of paid subscriptions. The Group pursues both an organic and a non-organic route to develop a steadily more comprehensive and synergetic offering of products and tools to all users of the Kahoot! platform.

To support its strategic goals Kahoot! will focus on product development, operational excellence, and people development initiatives. These initiatives are seen as crucial parts of the Group's strategy to secure profitable and sustainable growth. More details on the main risks and risk management principles are presented in the annual report, see also section 9 below.

Furthermore, sustainability and environmental, social, and governmental ("**ESG**") initiatives is central in Kahoot!'s business strategy. Kahoot! believes that engaging learning is the key to development and empowerment on an individual and group or team level, at school, at home and at work. Kahoot!'s focusses on operating in a sustainable way, in alignment with the United Nations Sustainable Development Goals and aims at having a positive impact on learning around the world. Furthermore, Kahoot! believes that learning should include everyone, and Kahoot! works to eliminate barriers to education. Kahoot! therefore foster partnerships with organizations and institutions that both share its vision for positive social impact and which have important content to offer the youth audience – our future game-changers. Partnerships include organizations as the United Nations, UNICEF, Common Sense Education, Amnesty International, the National Institutes of Health, the Marine Stewardship Council, and many more are examples of our strong shared commitment to this vision.

Kahoot! has implemented guidelines and procedures in accordance with section 3-3c of the Accounting Act, including code of conduct and policy on anti-corruption which are made available on the **Kahoot! Trust webpage**). Kahoot!'s Stakeholder impact Report is provided on the Company's webpage.

Kahoot!'s objectives, strategy and financial targets are evaluated by the board of directors on an annual basis in connection with the annual risk assessment. The board also reviews the Group's performance in Environmental, Social and Governance (ESG) and evaluates the risk profile and make assessments of these processes.

Deviations from the Code: No deviations from the Code.

3. EQUITY AND DIVIDENDS

Equity

As of 31 December 2021, the Group's equity was USD 581.5 million, which is equivalent to 73% of total assets and the share capital of Kahoot! amounted to NOK 48,658,147.90

divided into 486,581,479 shares, each with a nominal value of NOK 0.10. The Group did not have interest bearing debt.

The board of directors considers that the Group has a capital structure that is appropriate for its objectives, strategy, and risk profile.

Dividends

The Company is in a growth phase and is not planning to pay any dividends for the next few years. The Company has not paid any dividends during the financial years ended 31 December 2019, 2020, and 2021. In deciding whether to propose a dividend and in determining the dividend amount, the Board will comply with the legal restrictions set out in the Norwegian Public Limited Liabilities Companies Act and take into account the Company's capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividend and the maintenance of appropriate financial flexibility.

The board of directors has not been granted any authorisation to approve distribution of dividends.

Board authorisations

At the annual general meeting on 8 June 2021, the board of directors was granted the following authorisations:

(i) In order for the board of directors to be able to resolve the issuance of new shares in connection with mergers and acquisitions, and to raise new equity, the board of directors was granted an authorisation to increase the share capital with an amount up to NOK 6,130,000 corresponding to 12.9% of the then current share capital. The authorisation covered share capital increases against contribution in kind and share capital increase in connections with mergers. The shareholders' preferential rights to new shares could be deviated from. This authorisation is valid until the earlier of the annual general meeting in 2022 and 30 June 2022.

(ii) The board of directors was granted an authorisation to increase the share capital up to NOK 3,500,000 to be used in connection with the issuance of new shares under the company's option program. The shareholders' preferential rights to new shares could be deviated from. The authorisation is valid until the earlier of the annual general meeting in 2022 and 30 June 2022.

(iii) The board of directors was granted an authorisation to acquire shares in the Company with a nominal value of up to NOK 1,418,000, corresponding to approx. 3% of the then current share capital. This authorisation can be used to fulfil the Company's obligations in connection with acquisitions, incentive arrangements for employees, fulfilment of earn-out arrangements, be sold to strengthen the Company's equity or be deleted. This authorisation is valid until the earlier of the annual general meeting in 2022 and 30 June 2022.

Deviations from the Code: Pursuant to the Code, authorisations to be granted to the board of directors shall be intended for a defined purpose and should be limited in time to no later than the date of the next general meeting.

The board of directors' authorisation to increase the share capital with an amount up to NOK 6,130,000 can be used for several purposes. Kahoot! believes that this authorisation is important in order to allow the board of directors, in the interest of time, to act quickly in connection with a transaction or other corporate events where it is in the shareholders and Kahoot!'s interest to increase the share capital. The authorisation has been used in connection with issuance of consideration shares in connection to the Group's acquisitions and to raise equity through private placements.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS

All shareholders shall be treated on an equal basis unless there is just cause for treating them differently.

In the event of share capital increases through the issue of new shares, deviations from the existing shareholders' pre-emptive rights have been, and will continue to be, publicly disclosed in a stock exchange announcement issued in connection with the share issuance. In 2021, certain share issuances were made to meet its obligations to pay consideration shares in connection with its acquisitions and employee share incentive program, where existing shareholders' pre-emptive rights were waived.

Kahoot! did not carry out any transactions in its own share in the financial year ended 31 December 2021.

Deviations from the Code: No deviations from the Code.

5. FREELY NEGOTIABLE SHARES

The shares in Kahoot! are freely negotiable and there are no restrictions on any party's ability to own, trade or vote for the share in Kahoot! There are no general restrictions on the purchase or sale of shares by members of the Company's management and board members as long as they comply with the regulations on insider trading in applicable law.

In connection with the Kahoot! Group's acquisitions, a part of the consideration paid by the Company was settled by issuance of shares in Kahoot! In this respect, the previous owners of these companies, which are existing shareholders of Kahoot!, have undertaken lock-up commitments in favour of Kahoot! that prevents these shareholders from carrying out a sale of the shares held by the respective shareholders. Any such lock-up arrangements have been publicly disclosed in stock exchange announcements.

Kahoot! has only one class of shares. Each share grants the holder one vote and there are no structures granting disproportionate voting rights.

Deviations from the Code: No deviations from the Code.

6. GENERAL MEETINGS

The board of directors will ensure that as many of the Company's shareholders as possible can participate in the general meeting. The Covid-19 pandemic has necessitated electronic solutions due to restrictions on meetings and physical presence. In 2021, Kahoot! arranged for webcast solution for all participants attending the general meeting. The annual general meeting will take place on 27 May 2022 as published in the financial calendar via Oslo Børs and in the investor relations section of Kahoot!'s website.

The board of directors will further ensure that:

- notices for the general meetings are sent to all shareholders individually, or to their depository banks, at least 21 days in advance, that all matters to be considered by the meeting are specified and that relevant documents are made available on the Company's website;
- the resolutions and any supporting documentation are sufficiently detailed, comprehensive and specific, allowing shareholders to understand and form a view on all matters to be considered at the general meeting;
- the CEO, the chair of the board of directors and the chair of the nomination committee are present at the general meeting; and
- the general meeting is able to elect an independent chair for the general meeting.

The articles of association of Kahoot! does not provide for any deadline for the shareholders to give notice of their attendance at the general meeting.

Shareholders who are unable to participate in the general meeting will be given the opportunity to vote by proxy or through written voting in a period prior to the general meeting. The Company will in this respect provide information on the procedure and prepare a proxy form/written voting form. The Company will nominate a person to act as proxy.

All board members and members of the nomination committee are encouraged, but not obliged, to be present at the annual general meeting. Kahoot! has chosen not to follow the recommendation to vote separately on each candidate nominated for the board of directors and the nomination committee. The process of the nomination committee is focused on the combined qualification and experience of the proposed members to the board of directors and the nomination committee and the voting should therefore also be combined.

Deviations from the code: Voting on members to the board of directors and the nomination committee takes place as a combined vote. Pursuant to the Code, the board of directors should ensure that all board members attend the general meeting. Kahoot! does not require all board members to attend, however, in accordance with the Norwegian Public Limited Liability Companies Act, Kahoot! requires the CEO, the chair of the board of directors and the chair of the nomination committee to attend the general meeting.

7. NOMINATION COMMITTEE

According to section 8 of Kahoot!'s articles of association, the Company shall have a nomination committee consisting of two or three members in accordance with the decision of the general meeting. The members of the nomination committee are elected by the general meeting. The general meeting has also approved guidelines for the duties of the nomination committee, elected the chairperson and determined the remuneration of the members of the committee.

The nomination committee comprises the following members, both of whom were elected on the annual general meeting held 8 June 2021:

- **Harald Arnet** / Chair / Elected in 2021 for the period until the annual general meeting in 2023; and

- **Fredrik Cassel** / Committee member / Elected in 2021 for the period until the annual general meeting in 2023.

The members of the nomination committee have been elected to take into account the interests of shareholders in general. The members are independent of the executive management.

The nomination committee shall make recommendations to the general meeting for the election of shareholder elected board members and members of the nomination committee, and the remuneration of the board of directors and the nomination committee. When nominating shareholder representatives to the board of directors, the nomination committee presents relevant information about the candidates, together with an evaluation of their independence.

In connection with the nomination committee's work with proposing candidates, and to ensure that the candidates represent a broad group of the company's shareholders, the nomination committee is in contact with the board of directors, the CEO and major shareholders. Furthermore, the nomination committee ensures that the board of directors is composed to comply with legal requirements and the corporate governance code.

The nomination committee have justified its proposal for the board of directors. While the nomination committee presents relevant information about each candidate separately, the nomination committee focuses on the combined qualifications and experience of the proposed members of the board of directors when presenting its proposal to the general meeting. Information on how to propose candidates is available on Kahoot!'s webpage and attached to the notice of the annual general meeting for 2022.

Deviations from the Code: The nomination committee justifies its proposals combined and not separately for each board member.

8. COMPOSITION AND INDEPENDENCE OF THE BOARD OF DIRECTORS

Pursuant to the articles of association, the board of directors shall consist of between four and eight board members, as decided by the general meeting. The board of directors currently has five shareholder-elected directors and two employee-appointed board members. Each employee-appointed board member also has an employee-appointed deputy. The chairperson of the board of directors and board members are currently elected by the general meeting for a one-year term.

The composition of the board of directors is considered to attend to the common interests of all shareholders and meet the company's need for expertise, capacity and diversity. Three of the board members are women, and none of the members of the Company's executive management are members of the board of directors.

The board of directors is composed so that it can act independently of any special interests. All board members are independent of the Company's executive management and no members of the executive management serves on the board of directors. Except for Andreas Hansson and Akshay Naheta who are not considered independent from the Company's larger shareholders representing SoftBank, all board members are independent of the Company's larger shareholders (shareholders holding more than 10% of the shares) and material business associates. Further information on each of the board members is presented at www.kahoot.com.

Members of the board of directors are encouraged to own shares in the Company. The shareholding of each board member can be found in Note 21 to the Group's consolidated financial statement for 2021.

Deviations from the Code: No deviations from the Code.

9. THE WORK OF THE BOARD OF DIRECTORS

The board of directors' work follows an annual plan, with particular focus on objectives and strategy in addition to operational implementation. The plan is evaluated and approved around the beginning of each calendar year. The board of directors annually assesses its performance and expertise, the assessment is presented to the nomination committee.

The board of directors has implemented instructions for the board of directors and the executive management, which are focused on determining allocation of internal responsibilities and duties. The objectives, responsibilities and functions of the board of directors and the CEO are in compliance with rules and standards applicable to the Group. The board of directors have also implemented procedures to ensure that members of the board of directors and executive personnel make the Company aware of any material interests that they may have in items to be considered by the board of directors. The board of directors will also be chaired by some other member of the board if the board is to consider matters of a material character in which the chair of the board is, or has been, personally involved.

The board of directors held 26 board meetings in 2021.

In the event of a not immaterial transaction between the company and its shareholders, a shareholder's parent company, members of the board, executive management, or closely related parties of any such parties, the board will arrange for a valuation to be obtained from an independent third party. In 2021, there were no transaction between the company and related parties, except for ordinary commercial transactions at arm's length market terms. For information regarding related party transactions, please see to the Group's consolidated financial statement for 2021.

The board of directors has established an audit committee and a remuneration committee and instructions for such committees have been implemented.

The audit committees' objectives are to act as a preparatory and advisory body in connection with the board of directors' supervisory roles in connection with financial reporting, financial audit, and the effectiveness of the Company's internal control system. The audit committee shall consist of two to three members, who shall be elected by, and among, members of the board of directors. Currently, Lori Wright is chair and Andreas Hansson is a member of the audit committee. The audit committee shall meet as often as it deems necessary, but minimum four times per year to prepare the approval of the interim financial reports by the board of directors.

The remuneration committees' objectives are to act as a preparatory and advisory body in relation to the Company's strategy for the remuneration of its executive management. The remuneration committee shall consist of two or three members. Currently, Stefan Blom is chair and Joanne Bradford is a member of the remuneration committee. The remuneration committee shall meet as it deems necessary.

Deviations from the Code: No deviations from the Code.

10. RISK MANAGEMENT AND INTERNAL CONTROL

It is ultimately the responsibility of the board of directors to ensure that the Company has sound and appropriate internal control systems and risk management systems reflecting the extent and nature of the Company's activities. Sound risk management is an important tool to create trust, ensure good environment, health and safety standards and enhance value creation. Internal control should ensure effective operations and prudent management of significant risks that could prevent the group from attaining its targets. Kahoot!'s internal controls and systems also cover the company's corporate values, ethical guidelines and standards to ensure good performance in ESG.

Kahoot! complies with laws and regulations that apply to the Group's business activities. The Group's Code of Conduct sets out the overall ethical guidelines, which apply to all Kahoot! employees, members of the board of directors as well as those acting on Kahoot!'s behalf.

The Company has procedures covering all material aspects of managing the operational business. The procedures and manuals are revised annually, unless circumstances initiate more frequent revision, such as regulatory amendments, to reflect best practice derived from experience or adopted through regulations.

The board of directors assesses management's annual in-depth review of the company's most important areas of exposure to risk and such areas' internal control arrangements. In addition, management presents quarterly updates on the most important areas of exposure to risk and the Company's mitigating actions towards these identified risks in addition to a bi-annual risk report. A summary of the main risks is presented in the annual report for 2021.

The board of directors describes the main features of the Company's internal control and risk management systems connected to the Company's financial reporting in the Company's annual report. This covers the culture of control, risk assessment, controlling activities and information, communication and follow-up. The board of directors is obligated to ensure that it is updated on the Company's financial situation, and to continuously evaluate whether the Company's equity and liquidity are adequate in terms of the risk from, and the scope of, the Company's activities, and shall immediately take necessary actions if it is demonstrated at any time that the company's capital or liquidity is inadequate. The Company focuses on frequent and relevant management reporting to the board of directors. The reports contain matters related to health and safety, market development, operations and financial performance. The purpose is to ensure that the board of directors has sufficient information for decision-making and can respond quickly to changing conditions or important incidents. Board meetings are held regularly, and management reports are provided to the board monthly.

Kahoot! ASA has purchased and maintains a Directors and Officers Liability Insurance. The insurance policy is issued by a reputable, specialized insurer with appropriate rating.

Deviations from the Code: No deviations from the Code.

11. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration to the board of directors is determined by the shareholders at the annual general meeting based on a proposal from the nomination committee. The remuneration to the board of directors for 2021 was resolved by the general meeting based on a proposal from the nomination committee. The level of remuneration to the board of directors is considered to reflect the board of directors' responsibility, expertise, the complexity of the company and its business, as well as time spent and the level of activity in both the board of directors and any board committees.

The remuneration of the board of directors is not linked to the company's performance.

On 23 February 2021, the general meeting resolved to grant in total 11,556 restricted share units ("**RSUs**") to each of the board members Lori Wright and Joanne Bradford, which at the time of the general meeting amounted to USD 150 thousand. Each RSU gives the right and obligation to subscribe for one new share at a subscription price equal to NOK 0.10, subject to satisfaction of the vesting conditions attached to the RSUs. The RSUs are non-transferable, except for transfers to wholly owned companies.

One board member (Christer Stefan Blom) has been granted 300,000 share options in connection with work performed by him as a consultant prior to being appointed board member.

None the board members, or companies associated with board members, have been engaged in specific assignments for the company in addition to their appointments as members of the board of directors.

The remunerations for the period from the annual general meeting in 2021 until the annual general meeting in 2022 are as follows:

Board of directors:

- Andreas Hansson: USD 75,000
- Akshay Naheta and Stefan Blom: Each USD 50,000
- Lori Wright: USD 50,000 and RSUs worth USD 150,000
- Joanne Bradford: USD 50,000 and RSUs worth USD 150,000
- Alexander Remen and Sarah Blystad (employee-appointed board members): Each NOK 150,000
- Patrik Jandusik and Emilia Samborska (employee-appointed deputy board members): NOK 10,000 per board meeting attended.

Deviations from the Code: Stefan Blom holds share options in the Company which he received by virtue of his position as a consultant prior to being appointed board member in the Company.

12. REMUNERATION OF LEADING PERSONNEL

The board of directors prepares guidelines for the remuneration of leading management which support Kahoot!'s prevailing strategy and values. These guidelines include the main principles for the Company's remuneration policy and contribute to aligning the interests of the shareholders and the executive management. The guidelines were approved by the annual general meeting in 2021. A report on the remuneration of executive personnel for 2021 has been prepared, setting out how the Company adhered to the approved guidelines. Updated guidelines in accordance with the Norwegian Public Limited Liability Companies Act section 6-16 a will be presented to the annual general meeting in 2022 to be approved.

The executive personnel may be offered performance-based bonuses in addition to their fixed remuneration. Such performance-based bonus shall be agreed on an individual basis if applicable.

Currently, the Group does not have any general bonus schemes for its employees or executive personnel. However, the chief revenue officer and employees working in the Group's sales team have entered into sales commission and bonus agreements. Commission and bonus are calculated on the basis of achieved sales, provided that the sales team has reached a predetermined budget and the respective employee achieves predetermined sales goals, and is paid on a monthly and quarterly basis, respectively.

Deviations from the Code: No deviations from the Code.

13. INFORMATION AND COMMUNICATION

Kahoot! is under an obligation to continuously provide its shareholders, Oslo Børs and the financial markets in general with timely and precise information about the Company and its operations. Relevant information is given in the form of annual reports, quarterly reports, press releases, notices to the stock exchange and investor presentations in accordance with what is deemed appropriate from time to time. Kahoot! maintains an open and proactive policy for investor relations and has given regular presentations in connection with annual and quarterly results. The goal is that Kahoot!'s information work shall be in accordance with best practice at all times and all communications with shareholders shall be in compliance with the provisions of applicable laws and regulations and in consideration of the principle of equal treatment of the company's shareholders.

The Company publishes an annual, electronic financial calendar with an overview of dates for important events, such as the annual general meeting, interim financial reports, public presentations and payment of dividends, if applicable.

In addition to the board of directors' dialogue with the Company's shareholders at general meetings, the board of directors promotes suitable arrangements for shareholders to communicate with the Company at other times. The board of directors have delegated this task to the executive management team. Kahoot! has held regular presentations in connection with each of the quarterly presentations in 2021 and participated on several investor conferences. Due to the Covid-19 pandemic, most of the investor meetings and conferences have taken place on various electronic platforms. The plan is to continue to arrange regular presentations to keep the market up-to-date about the company's development, goals and strategies.

Deviations from the Code: No deviations from the Code.

14. TAKE-OVERS

Kahoot! has no shareholder controlling more than approx. 17% of the shares as of 31 December 2021. Kahoot! has not been subject to any takeover bids in 2021.

In the event of a takeover bid, the board of directors and executive management each have an individual responsibility to ensure that the company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The board of directors has a particular responsibility in ensuring that the shareholders have sufficient information and time to assess the offer.

In the event of a take-over process, the board of directors shall abide by the principles of the Code, and also ensure that the following take place:

- the board of directors will not seek to hinder or obstruct any takeover offer for the Company's operations or shares unless they have valid and particular reasons for doing so;
- the board of directors shall not exercise mandates or pass any resolutions with the intention of obstructing the takeover offer unless this is approved by the general meeting following announcement of the offer;
- the board of directors shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the company;
- the board of directors shall not enter into an agreement with any offeror that limits the Company's ability to arrange other offers for the Company's shares, unless it is self-evident that such an agreement is in the common interest of the Company and its shareholders;
- the board of directors and executive management shall not institute measures with the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and
- the board of directors must be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a take-over offer, the board of directors will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Code. This includes obtaining a valuation from an independent expert. On this basis, the board of directors will make a recommendation as to whether or not the shareholders should accept the offer.

A takeover process gives rise to a particular duty of care to disclose information, where openness is an important tool for the board of directors to ensure equal treatment of all shareholders. The board of directors shall strive to ensure that neither inside information about the Company, nor any other information that must be assumed to be relevant for shareholders in a bidding process, remains unpublished.

There are no other written guidelines for procedures to be followed in the event of a takeover offer. The

Company has not found it appropriate to draw up any explicit basic principles for Kahoot!'s conduct in the event of a take-over offer, other than the actions described above. The board of directors otherwise concurs with what is stated in the Code regarding this issue.

Deviations from the Code: No deviations from the Code.

15. AUDITOR

The board of directors is responsible for ensuring that the board and the audit committee are provided with sufficient insight into the work of the auditor. In this regard, the board of directors and management ensured that the auditor submitted the main features of the plan for the audit of the company to the audit committee in 2021.

Further, the board of directors invited the auditor to participate in the board meeting that dealt with the annual accounts. At these meetings, the auditor (i) reports on any material changes in the company's accounting principles and key aspects of the audit, (ii) comments on any material estimated accounting figures, and (iii) reports material matters, if any, on which there has been disagreement between the auditor and the executive management of the Company.

Once a year, the board of directors reviews the company's internal control procedures with the auditor, including potential weaknesses identified by the auditor and proposals for improvement. In this regard, a review of the Company's internal control procedures with the auditor, including potential weaknesses identified by the auditor and proposals for improvement, was carried out by the board of directors in 2021.

In order to ensure the auditor's independence of the company's executive management, the board of directors has established guidelines in respect of the use of the auditor by the management for services other than the audit.

Deviations from the Code: No deviations from the Code.

THE BOARD OF DIRECTORS OF KAHOOT! ASA

Oslo, 20 April 2022

Sign

ANDREAS HANSSON
Chair of the Board

Sign

STEFAN BLOM
Board member

Sign

AKSHAY NAHETA
Board member

Sign

JOANNE KUHN BRADFORD
Board member

Sign

LORI VARNER WRIGHT
Board member

Sign

ALEXANDER REMEN
Board member

Sign

SARAH BLYSTAD
Board member

Sign

EILERT HANOA
CEO

THE BOARD OF DIRECTORS REPORT

OVERVIEW

Kahoot! is on a mission to make learning awesome! We want to empower every child, student and employee 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. Our vision is to build the leading learning platform in the world.

Kahoot! ASA is the parent company of the Kahoot! Group and has since March 2021 been admitted for trading on the main list on the Oslo Stock Exchange. The Kahoot! Group is headquartered in Oslo, Norway with offices in the US, the UK, France, Finland, Estonia, Denmark and Spain.

Kahoot! is a global learning and engagement platform company, used for all kinds of learning and in a variety of settings – in school or university classrooms, corporate offices and remote working spaces, social settings, and cultural events. 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.

Throughout 2021, Kahoot! continued to execute on the strategy and ambitious roadmap towards the vision of building the world's leading learning platform. 2021 was a year of achieving milestones, solid growth and expansion for the Group. As the world continues to experience pressing challenges and re-imagine the future of learning and work, Kahoot! has stayed committed to the mission of making learning awesome for everyone, worldwide. This mission fuels the work at Kahoot! every day as we continue to deliver robust solutions and impactful experiences for all our users, whether at work, at school or at home.

One of the key aspects of the Kahoot!'s business operations is its viral business model, which allows the company to promote the Kahoot! platform through its user groups, being individuals, learning institutions and organizations without the need to finance external marketing and advertisement. New users registered on the Kahoot! platform is a direct result of existing users' use of the Kahoot! platform and its content, which in turn promotes the platform.

The products and services made available by the Kahoot! Group are all connected to the main product areas, Kahoot! at Home, Kahoot! at School, Kahoot! at Work, Kahoot! Academy and Clever.

KAHOOT! AT WORK

Used in 97% of Fortune 500 companies, Kahoot! occupies a bespoke space at the intersection of employee engagement, corporate learning, training and culture building. In 2021, we continued to expand and enrich the 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. Kahoot! at Work stands well 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. In 2021, the Kahoot! at Home 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 pandemic for educators and students globally, Kahoot! further evolved its offerings to more than 9 million educators in 2021, 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 was 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. Kahoot! Academy's commercialization was at the end of 2021 marked by 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, 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 app partners. 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. 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.

MARKET DEVELOPMENT

2021 was a year with continued strong adoption of digital tools both in the educational sector and in employee engagement and learning. In the educational sector, the growth in adoption has shown educators and learners how much value technology can bring to increase learning outcomes and engagement. These structural changes have provided significant future opportunities to deploy software at a larger scale across institutions. Kahoot!, with our leading toolbox of learning and engagement solutions, is positioned to reap the benefits as school and district buyers look to deploy best-in-class technology – with Clever simplifying the distribution and deployment in a fragmented market.

Corporations globally are struggling with retaining and attracting talent, combined with challenges introduced by the remote or hybrid way of working. This puts a stronger emphasis on the importance of building company culture, increasing employee's engagement levels and upskilling the current workforce. We expect to see the demand for Kahoot!'s at work products continue to grow as a result of these underlying megatrends.

REVIEW OF THE CONSOLIDATED ANNUAL ACCOUNTS

During 2021, Kahoot! acquired digital learning platform company Clever, corporate learning app provider Motimate and classroom engagement tool Whiteboard.fi, which are included in the consolidated financial statements from respective acquisition dates.

Total revenues and operating income in 2021 for the Kahoot! Group were $91.3 million, up 211% from $29.3 million for the financial year 2020. The revenue growth was driven by increased number of paid subscriptions for the Group's products and contribution from acquired companies.

In 2021, total operating expenses excluding depreciation and amortization were $86.6 million, whereof calculated share-based compensation expenses and related payroll taxes deriving from Kahoot!'s share option program, acquisition-related expenses and listing cost preparations accounted for $9.6 million, and $5.0 million was attributable to an accounting treatment effect for the acquisition of Clever as described below.

Accounting treatment of deferred consideration for the Clever acquisition

Due to a revised interpretation of IFRS3 – Business Combinations, paragraph B55(a) and associated IFRIC (IFRS Interpretation Committee) agenda decision, a portion of the deferred consideration for the Clever acquisition, relating to the prior equity scheme in Clever, shall be treated as a post business combination expense regardless of the unconditional obligation to settle the consideration liability. The accounting effect reduces the Clever acquisition consideration by $14.9 million (approx. 3% of the total consideration for Clever) on 1 September 2021 ("Closing") with corresponding reduction of the liability. The unconditional obligation to settle the $14.9 million acquisition consideration represents an off-balance sheet liability as of Closing. The off-balance sheet liability is expensed as share-based payment over time, whereof $5.0 million for 2021, $7.5 million for 2022 and $2.4 million for later periods. The total consideration payable for the Clever acquisition remains unchanged.

Reported EBITDA in 2021 was $4.7 million compared to -$17.6 million for 2020. EBITDA adjusted for calculated 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 in 2021 were $10.2 million compared to $2.6 million for 2020. The increase is mainly due to amortization of intangible assets from acquired companies.

During 2021, total assets increased by $417.9 million to $796.1 million. The increase was primarily attributable to acquisitions. Per the end of 2021, non-current assets accounted for $671.3 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 $122.4 million to $214.6 million per the end of the year, whereof deferred tax liability represents $46.3 million and contract liabilities (deferred revenue) $60.8 million.

Equity ratio for the Kahoot! Group as of 31 December 2021 was 73%. The expensed cost related to research and development amounted to $10.3 million in 2021.

The liquidity for the Kahoot! Group is satisfactory with cash and cash equivalents of $107.8 million as of 31 December 2021. Cash flow from operations (adjusted for cash out flow for expenses to acquisitions, listing cost preparations and payroll taxes for share-based payment), was $31.3 million in 2021, up from $17.4 million in 2020.

REVIEW OF THE PARENT COMPANY'S ANNUAL ACCOUNTS

The annual accounts for the parent company have been prepared according to Norwegian Generally Accepted Accounting Principles (NGAAP). As of 1 January 2021, the parent company Kahoot! ASA changed its functional currency from Norwegian Krone (NOK) to U.S. dollar (USD). The change in functional currency was the result of a review of the primary economic environment in which the entity operates, considering both current and prospective economic substance of the underlying transactions entered into by the company.

Revenue for the parent company Kahoot! ASA was $55.0 million for the financial year 2021 compared to $24.5 million for the financial year 2020. Operating results (EBITDA) for the financial year 2021 was $18.2 million compared to -$12.3 million for the financial year 2020. Total equity for the parent company was $631.5 million as of 31 December 2021.

ALLOCATION OF NET PROFIT IN THE PARENT COMPANY

The parent company Kahoot! ASA recorded a net profit of $11.8 million for the financial year 2021. The Board of Directors (the "Board") proposes the net profit to be allocated to other equity.

GOING CONCERN

In the view of the Board, Kahoot! Group has a solid financial position. In accordance with Section 3-3a of the Norwegian Accounting Act, the Board confirms that the prerequisites for the going-concern assumption exist and that the financial statements have been prepared based on a going-concern basis.

EXECUTIVE COMPENSATION REPORT

The Board of Directors' guidelines for determination of salary and other remuneration to executive personnel in Kahoot! ASA pursuant to section 6-16a the Norwegian Public Limited Liability Companies Act was presented to the Annual General Meeting on 8 June 2021. Kahoot!'s report on salary and other remuneration to executive personnel for 2021 pursuant to section 6-16b the Norwegian Public Limited Liability Companies Act is published as a separate document, available on kahoot.com/investor.

WORKING ENVIRONMENT

The working environment is considered good. Relying on highly skilled and motivated employees to succeed, Kahoot! is constantly working to maintain an attractive and rewarding working environment. For the financial year 2021, the registered level of absence due to sickness in the parent company was 2%. No accidents or injuries occurred during the year.

EQUAL OPPORTUNITIES, DISCRIMINATION, IMPACT ON EXTERNAL ENVIRONMENT

At the end of 2020, the parent company Kahoot! ASA had 104 employees, of which 33% were women.

The market in which Kahoot! operates is somewhat overrepresented by male employees, however, the Kahoot! Group is actively working towards a diversified working environment. Women are represented in most of the company's departments and the ratio between men and women will continue to be monitored. Kahoot! strongly respects and supports diversity in general and see this as a competitive advantage to create value for the company and its shareholders. Kahoot! has a policy that includes the principle of equal opportunities for equal work, implying that every employee will have the same rights, salary and career options in the same position, all other factors being equal which will continue to be monitored. Inclusivity is one of Kahoot!'s core values, and the Company is committed to team diversity as a driver of success. The Group's global team includes members of more than 40 nationalities with different cultural and ethnic backgrounds. Kahoot!'s reporting pursuant to chapter 4 of the Gender Equality and Discriminatory Act (Equality Report 2021) is included in the Stakeholder Impact Report.

For a description of Kahoot!'s impact on external environment, please see Kahoot!'s Stakeholder Impact Report, which is published as a separate document, available on kahoot.com/investor which also complies with Kahoot!'s compliance obligations pursuant to section 3-3c of the Norwegian Accounting Act (corporate social responsibility).

RISK AND RISK MANAGEMENT

Risk management for the Kahoot! Group is based on the principle that risk evaluation is an integral part of all business activities, where the ability to implement the Group's strategic and operational plans is influenced by various commercial, technological, and operational risk factors summarized below.

Market risk

The Kahoot! Group is exposed to several market related risks, including but not limited to; access and ability to keep qualified employees, access to technology used in product development, cyber threats, ability to keep the user engagement and brand awareness, change in user pattern for existing and new users of the products offered by the Group, ability to convert non-paying users to paying subscribers, relative competitiveness in the markets where the Group operates, global or regional economic market conditions.

Credit risk

The Group's credit risk arises from cash and cash equivalents as well as outstanding receivables. The Group does not have significant credit risk associated by a single counterparty. The Group does not have a specific procedure for assessing credit risk for its customers before transactions are entered as the majority of customers are either invoiced through automated sales with immediate credit card payments or subscriptions invoiced with credit terms are mostly prepaid upfront. The counterparties for the Group's cash deposits are large banks which are considered to be very low credit risk. The Group's assessment is that there are no material credit risks associated with these cash deposits.

Currency risk

The Group presents its financial statements in USD. The Group operates in Denmark, Estonia, Finland, France, Norway, Spain, United Kingdom and the United States and have costs in local currencies while a major part of the Group's revenues are in USD. With different functional currencies, the Group will be exposed to currency gains and losses on receivables between the companies, which will affect its reported profit or loss. Fluctuations in exchange rates between NOK, USD, DKK, EUR and GBP could materially and adversely affect the Group's business, results of operations, financial condition, cash flow and prospects. The Group does currently not have any currency hedging arrangements in place to limit the exposure to exchange rate fluctuations.

Interest risk

The Group holds no long-term borrowings and no interest-bearing debt. Lease contracts resulting in a recognized lease liability are not subject to change in payments derived from interest fluctuations, and the Groups exposure to interest rate fluctuations is there for limited.

Liquidity risk

The Group monitors liquidity centrally across the Group. It is the Group's strategy to have sufficient cash and cash equivalents to at any time fund operations and investments according to the Group's strategic plans. The Group monitors its liquidity risk through a short-term and a long-term liquidity forecast to manage the target of a minimum position of cash imposed by the Board of Directors. Kahoot! Group has positive cash flow from operations and does not have any interest-bearing debt.

DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Kahoot! ASA has purchased and maintains a Directors and Officers Liability Insurance. The insurance policy is issued by a reputable, specialized insurer with appropriate rating.

OUTLOOK 2022 AND EVENTS AFTER THE END OF THE FINANCIAL YEAR

The Kahoot! Group's main markets are characterised by technological advance, change in customer requirements and frequent new product introductions and improvements. As the world continues to experience pressing challenges and re-imagine the future of learning and work, Kahoot! will stay attractive and relevant for its users through maintaining a persistent focus on innovation and creativity to retain its users' brand loyalty and attract further interest within all user categories. Kahoot! is thus well positioned for continued growth and success.

Oslo, 20 April 2022

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ANDREAS HANSSON
Chair of the Board

Sign

STEFAN BLOM
Board member

Sign

AKSHAY NAHETA
Board member

Sign

JOANNE KUHN BRADFORD
Board member

Sign

LORI VARNER WRIGHT
Board member

Sign

ALEXANDER REMEN
Board member

Sign

SARAH BLYSTAD
Board member

Sign

EILERT HANOA
CEO

FINANCIAL STATEMENTS

CONSOLIDATED GROUP ANNUAL FINANCIAL STATEMENTS 2021

Consolidated statement of profit or loss

USD in thousands	Note	2021	Restated 2020
Revenue from contracts with customers	5	91,016	29,143
Other operating income		249	175
Total revenue and other operating income		91,265	29,318
Cost of sales	3	7,029	3,717
Employee benefit expenses	4, 6, 17	43,235	31,625
Other operating expenses	7	36,351	11,553
Amortization of intangible assets	10	8,848	1,897
Depreciation	12, 13	1,357	685
Operating profit/(loss)		(5,555)	(20,159)
Financial income		432	372
Financial expenses		(205)	(329)
Net change in fair value of financial instruments	19	2,594	848
Net foreign exchange gains (losses)	20	(984)	(15,908)
Net financial income (expenses)		1,837	(15,017)
Profit/(loss) before income tax		(3,718)	(35,176)
Income tax	8	(1,838)	(656)
Profit/(loss) for the year		(1,880)	(34,520)
Profit/(loss) for the year attributable to:			
Equity holders of Kahoot! ASA		(1,880)	(34,520)
Earnings (loss) per share in USD			
Basic earnings (loss) per share	9	(0.00)	(0.09)
Diluted earnings (loss) per share	9	(0.00)	(0.09)

Consolidated statement of comprehensive profit or loss

USD in thousands	2021	Restated 2020
Profit/(loss) for the year	(1,880)	(34,520)
Other comprehensive profit/(loss):		
Items that might be subsequently reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(8,751)	(1,927)
Item that are not reclassified to profit or loss:		
Exchange difference on translation to another presentation currency	-	17,413
Total comprehensive profit/(loss) for the year	(10,631)	(19,034)
Total comprehensive profit/(loss) attributable to:		
Equity holders of Kahoot! ASA	(10,631)	(19,034)

Consolidated balance sheet

USD in thousands	Note	31.12.2021	Restated 31.12.2020
ASSETS			
Non-current assets			
Goodwill	11	494,430	77,757
Intangible assets	10	173,284	34,373
Property, plant and equipment	12	633	409
Right-of-use assets	13	2,928	3,165
Total non-current assets		671,275	115,704
Current assets			
Trade receivables	14	11,764	3,157
Other current assets	15	5,304	3,247
Cash and cash equivalents	16	107,765	256,120
Total current assets		124,833	262,524
TOTAL ASSETS		796,108	378,228
EQUITY AND LIABILITIES			
Equity			
Share capital	18	5,707	5,228
Share premium	18	651,581	357,383
Share-based payments reserves	18	16,963	5,542
Foreign currency translation reserves	18	(10,728)	(1,977)
Accumulated deficit	18	(82,008)	(80,128)
Total equity	**18**	581,515	286,048
Non-current liabilities			
Lease liabilities	13	2,044	2,312
Deferred tax liability	8	46,288	5,843
Other non-current liabilities	19,20	40,565	15,447
Total non-current liabilities		88,897	23,602
Current liabilities			
Lease liabilities	13	1,007	964
Current tax liabilities		4	-
Trade payables	19, 20	5,359	1,817
Contract liabilities	5	60,772	30,686
Other current liabilities	19, 20	58,554	35,111
Total current liabilities		125,696	68,578
Total liabilities		214,593	92,180
TOTAL EQUITY AND LIABILITIES		796,108	378,228

Oslo, 20 April 2022

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ANDREAS HANSSON
Chair of the Board

Sign

STEFAN BLOM
Board member

Sign

AKSHAY NAHETA
Board member

Sign

JOANNE KUHN BRADFORD
Board member

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LORI VARNER WRIGHT
Board member

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ALEXANDER REMEN
Board member

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SARAH BLYSTAD
Board member

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EILERT HANOA
CEO

Consolidated statement of changes in equity

USD in thousands	Note	Share capital	Share premium	Share-based payments reserves	Foreign currency translation reserves	Accumulated 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	1	-	-	-	-	(716)	(716)
Balance at 1 January 2020 (restated)		1,473	92,621	2,095	(50)	(40,829)	55,310
Profit/(loss) for the year		-	-	-	-	(34,520)	(34,520)
Currency translation differences [1]		334	21,480	378	(1,927)	(4,779)	15,486
Total comprehensive profit/(loss) for the year		334	21,480	378	(1,927)	(39,299)	(19,034)
Issuance of shares	18	3,421	253,520	-	-	-	256,941
Transaction costs on equity issues	18	-	(10,238)	-	-	-	(10,238)
Share option program	17	-	-	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 year		-	-	-	-	(1,880)	(1,880)
Currency translation differences [1]		-	-	-	(8,751)	-	(8,751)
Total comprehensive profit/(loss) for the year		-	-	-	(8,751)	(1,880)	(10,631)
Issuance of shares	18	479	302,700	-	-	-	303,179
Transaction costs on equity issues	18	-	(8,502)	-	-	-	(8,502)
Share option program	17	-	-	11,421	-	-	11,421
Balance at 31 December 2021		5,707	651,581	16,963	(10,728)	(82,008)	581,515

[1] 2020: The translation differences arising from the translation to the presentation currency are presented directly as part of the corresponding categories of equity. These translation differences are not to be recycled from other comprehensive income to profit or loss.

Consolidated statement of cash flows

USD in thousands	Note	2021	Restated 2020
Cash flows from operating activities			
Profit/(loss) before income tax		(3,718)	(35,176)
Adjustments for:			
Depreciation and amortization	10, 12, 13	10,205	2,582
Share-based payments expense	4, 6	11,421	3,069
Change in trade receivables		(781)	(280)
Change in contract liabilities		15,757	15,879
Change in trade payables		2,752	591
Change in other current assets and other liabilities		(14,965)	30,720
Taxes paid		(6)	-
Interest received		432	372
Financial expenses		(205)	(329)
Net cash flow from operating activities		20,892	17,428
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	4	(364,145)	(34,227)
Payment for intangible assets	10	(562)	-
Payment for property, plant and equipment		(216)	(214)
Net cash outflow from investing activities		(364,923)	(34,441)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	18	205,077	241,931
Transaction costs on issuance of ordinary shares		(8,502)	(10,237)
Repayments of lease liabilities	13	(991)	(537)
Paid interest on lease liabilities	13	(89)	(78)
Net cash inflow from financing activities		195,495	231,079
Net increase in cash and cash equivalents		(148,536)	214,066
Cash and cash equivalents as of 1 January	16	256,120	40,851
Effects of exchange rate changes on cash and cash equivalents		181	1,203
Cash and cash equivalents as of 31 December		107,765	256,120

CONSOLIDATED GROUP ANNUAL FINANCIAL STATEMENTS 2021

NOTES

NOTE 1

GENERAL INFORMATION

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 Group is on a mission to make learning awesome! The Group wants to empower every child, student and employee to unlock their full learning potential. The Group's game-based learning platform makes it easy to create, share and play learning games driving compelling engagement. In addition, the Group's family of apps takes math learning to a new level and empowers children to learn to read through play. Launched in 2013, the Group's vision is to build the leading learning platform in the world.

These consolidated financial statements have been approved for issuance by the Board of Directors on 20 April 2022.

Restated consolidated statement of profit or loss

USD in thousands	Note	As reported 2020	Kahoot! Adj 2020	Drops Adj 2020	Restated 2020
Revenue from contracts with customers	A	30,859	(1,720)	4	29,143
Other operating income		175	-	-	175
Total revenue and other operating income		31,034	(1,720)	4	29,318
Cost of sales	A	3,790	(73)	-	3,717
Employee benefit expenses		31,625	-	-	31,625
Other operating expenses		11,553	-	-	11,553
Amortization of intangible assets		1,897	-	-	1,897
Depreciation		685	-	-	685
Operating profit/(loss)		(18,516)	(1,647)	4	(20,159)
Financial income		372	-	-	372
Financial expenses		(329)	-	-	(329)
Net change in fair value of financial instruments		848	-	-	848
Net foreign exchange gains (losses)	B	(17,510)	1,602	-	(15,908)
Net financial income (expenses)		(16,619)	1,602	-	(15,017)
Profit/(loss) before income tax		(35,135)	(45)	4	(35,176)
Income tax		(656)	-	-	(656)
Profit/(loss) for the period		(34,479)	(45)	4	(34,520)

Restated consolidated statement of comprehensive income or loss

USD in thousands	Note	As reported 2020	Kahoot! Adj 2020	Drops Adj 2020	Restated 2020
Profit/(loss) for the period		(34,479)	(45)	4	(34,520)
Other comprehensive income/(loss):					
Items that might be subsequently reclassified to profit or loss:					
Exchange differences on translation of foreign operations	B	(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
Total comprehensive income/(loss) for the period		(17,391)	(1,647)	4	(19,034)

Restated consolidated balance sheet

USD in thousands	Note	As reported 31.12.2020	Kahoot! Adj. OB'20	Kahoot! Adj 2020	Drops Adj 2020	Restated 31.12.2020
ASSETS						
Goodwill	C	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	C	2,671	-	-	486	3,157
Other current assets	A, C	3,316	-	73	(143)	3,247
Cash and cash equivalents		256,120	-	-	-	256,120
Total current assets		262,108	-	73	343	262,524
TOTAL ASSETS		377,800	-	73	355	378,228
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	B	(375)	-	(1,602)	-	(1,977)
Accumulated deficit	A-C	(79,373)	(716)	(45)	4	(80,130)
Total equity		288,406	(716)	(1,647)	4	286,048
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)	A, C	27,899	716	1,720	351	30,686
Other current liabilities		35,111	-	-	-	35,111
Total current liabilities		65,791	716	1,720	351	68,578
Total liabilities		89,393	716	1,720	351	92,181
TOTAL EQUITY AND LIABILITIES		377,800	-	73	355	378,228

Restated consolidated statement of cash flows

USD in thousands	Note	As reported 2020	Kahoot! Adj 2020	Drops Adj 2020	Restated 2020
Cash flows from operating activities					
Profit/(loss) before income tax	A, C	(35,135)	(45)	4	(35,176)
Adjustments for:			-	-	-
Depreciation and amortization		2,582	-	-	2,582
Share-based payments expense		3,069	-	-	3,069
Change in trade and other receivables	A, C	279	(73)	(486)	(280)
Change in contract liabilities (deferred revenue)	A, C	13,807	1,720	351	15,879
Change in trade payables		591	-	-	591
Change in other current assets and other liabilities	B, C	32,191	(1,602)	131	30,720
Interest received		372	-	-	372
Financial expenses		(329)	-	-	(329)
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

Notes to the reconciliation of changes from reported to restated figures for 2020

A) Correction to the accounting estimate for deferred revenue

During the second half of 2021, the Group updated and revised the model for estimating the recognition of revenue over time. The updated and revised model better reflects the timing within the month in which a sale occurred, compared to the model used for previously reported periods. The effect of the retrospective change resulted in an increase in the contract liabilities (deferred revenue) and a corresponding reduction in revenue for the previously reported period. The updated model had no effect on cash balances as per 31 December 2020.

The effect of the correction to the accounting estimate for deferred revenue can be summarized as follows:

Opening balance 2020:

- Contract liabilities (deferred revenue) increased by $716 thousand, offset to accumulated deficit of $716 thousand.

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.
- Other current asset Increased by $73 thousand as per 31 December 2020, offset as reduced cost of sales of $73 thousand.
- Net effect was an Increased loss for the period of $1,647 thousand, allocated to accumulated deficit with $1,647 thousand.
- The impact on basic loss per share and diluted loss per share was $0.00 and $0.00 respectively.

B) Correction of foreign exchange differences on goodwill and Intangible assets from acquisitions in 2020

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. The impact on basic loss per share and diluted loss per share was $0.00 and $0.00 respectively.

C) Correction of balance sheet Items relating to Drops

During 2021, the Group updated and revised the model for converting Drops from local GAAP to IFRS. The effect of the retrospective change resulted in an increase in the goodwill, trade receivables and contract liabilities (deferred revenue) and a reduction in other current asset. The net effect of the changes on profit or loss in the Group's ownership period (28 November 2020 to 31 December 2020) was $4 thousand. The correction had no effect on cash balances as per 31 December 2020.

The effect of the change can be summarized as follows:

- Goodwill increased by $12 thousand as per 31 December 2020
- Trade receivables increased by $486 thousand as per 31 December 2020
- Other current assets reduced by $143 thousand as per 31 December 2020
- Contract liabilities (deferred revenue) increased by $351 thousand as per 31 December 2020
- Net effect was a positive net income contribution for the period of $4 thousand, allocated to accumulated deficit with $4 thousand.
- The impact on basic loss per share and diluted loss per share was $0.00 and $0.00 respectively.

NOTE 2

SIGNIFICANT EVENTS IN THE CURRENT REPORTING PERIOD

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- The acquisitions of Whiteboard on 23 February 2021, Motimate on 22 April 2021 and Clever on 1 September 2021, (see note 4) resulted in recognition of goodwill, technology, customer relationships and brand.

NOTE 3

GENERAL ACCOUNTING PRINCIPLES

The general accounting policies applied in the preparation of these consolidated financial statements are set out below. Specific accounting principles are described in the relevant notes.

Basis of preparation

The consolidated financial statements of Kahoot! ASA are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and additional disclosure requirements in the Norwegian Accounting Act as effective 31 December 2021.

The consolidated financial statements are presented in US dollars (USD) and have been rounded to the nearest thousand unless otherwise stated.

The financial statements are prepared on a going concern basis. The financial statements have been prepared on a historical cost basis.

Foreign currency

Functional currency, presentation currency and consolidation

The Group's presentation currency is USD, which is the parent company's functional currency (the functional currency of the parent company was NOK in 2020 – see section change in functional currency below).

For consolidation purposes, all subsidiaries with a different functional currency than the parent company (USD) are translated at the rate applicable at the reporting date. The statement of profit or loss are translated at the average exchange rate that approximates the prevailing rate at the date of transaction. The cumulative amount is reclassified to profit or loss when the net investment in disposed of.

Monetary balances in foreign currencies are translated into the functional currency at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

In 2020 the following applied when translating the consolidated financial statements to a presentation currency different from the parent company's functional currency. The Group's consolidated balance sheet was re-translated to its presentation currency (USD) at the rate applicable at the reporting date. Share transactions during the reporting period were presented at the exchange rate at the date of the transaction. The consolidated statement of profit or loss and statement of cash flows were translated at the average exchange rate that approximates the prevailing rate at the date of transaction. The translation differences arising from the translation to the presentation currency are presented directly as part of the corresponding categories of equity (share capital, share premium, share-based reserves and accumulated deficit). These translation differences are not to be recycled from other comprehensive income to profit or loss.

Change in functional currency

As of 1 January 2021, the parent company Kahoot! ASA changed its functional currency from NOK to USD. The change in functional currency was the result of a review of the primary economic environment in which the entity operates, considering both current and prospective economic substance of the underlying transactions entered into by the company.

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

Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Figures from subsidiaries with different accounting policies are amended to ensure consistent accounting policies for the Group are used.

If the Group loses control over a subsidiary it derecognizes the assets, liabilities, and non-controlling interest, and reclassifies to profit or loss, or transfers directly to accumulated deficit as appropriate, the amounts recognized in other comprehensive loss in relation to the subsidiary.

Classification of current and non-current items

An asset is classified as current when it is expected to be realized or sold, or to be used in the Group's normal operating cycle, or falls due or is expected to be realized within 12 months after the end of the reporting period. Other assets are classified as non-current assets. Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the Group or are expected to be settled within 12 months of the end of the reporting period, or if the Group does not have an unconditional right to postpone settlement for at least 12 months after the balance sheet date.

Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. The Company has determined that the Board of Directors are the chief operating decision maker.

The segment information is reported in accordance with the reporting to the Board of Directors (the chief operating decision makers) and is consistent with financial information used for assessing performance and supporting the Group's direction and strategy, resource allocation and acquisition activities. The Group has identified one segment. The Group is monitored using the consolidated statement of profit or loss, balance sheet and statement of cash flows.

Cost of sales

Cost of sales relate directly to costs incurred on the Company's sales through the websites or through app stores. The Company partners with the payment gateway providers and app stores as a marketing channel to sell their products. The payment gateways charge fees for processing and collecting payments from website sales and app stores collect a percentage ranging from 6% to 30% of revenues earned from the Kahoot! app store sales as a fee for payment collections services provided to the Company.

Critical accounting judgements and key sources of estimation uncertainty in applying the Group's accounting policies

In applying the Group's accounting policies, which are described in the following notes below, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical accounting judgements

Critical accounting judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in financial statements, relate to the following areas. Please refer to the respective note disclosures for additional details on the critical accounting judgements applied.

- Business combinations, note 4
- Financial assets and financial liabilities, note 19

(b) Significant estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, relate to the following areas. Please refer to the respective note disclosures for additional details on the significant estimation uncertainty.

- Business combinations, note 4
- Goodwill and impairment, note 11
- Financial assets and financial liabilities, note 19

NOTE 4

BUSINESS COMBINATIONS

Accounting principles

The acquisition method of accounting is used to account for all business combinations. The consideration transferred in a business combination comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value, or at the non-controlling interests proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

Goodwill arising on business combinations is recognized as an asset measured at the excess of the sum of the consideration transferred, the fair value of any previously held equity interests and the amount of any non-controlling interests in the acquired entity over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the net fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities exceeds the total consideration of the business combination, the excess is recognized in profit or loss immediately.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the business combination is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognized in profit or loss.

Business combinations 2021

The business combinations required the use of critical accounting judgements and estimates when identifying and valuing the intangible assets of the acquired entities.

For Whiteboard, Motimate and Clever three possible intangible assets were identified: technology, brand and customer relationship. The customer relationship relates to existing customers for Clever and Motimate and existing subscribers for Whiteboard.

Significant estimation uncertainty

The relief-from-royalty method has been applied to measure the fair value of the technology and the brand. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The valuation is based on projected cash flows for the next 5-10 years, which includes estimated revenue growth. These cash flows are adjusted for assumptions about churn, attrition and multiplied by a royalty rate (cost saving from owning the technology and brand). The multi-excess earnings-method has been applied to measure the fair value of the customer relationships. The multi-excess-earnings-method considers the contributory asset charge that an intangible asset would have been charged by a hypothetical third-party to use the intangible asset. The valuation is based on projected cash flows for the next 10 years, which includes estimated revenue growth. These cash flows are adjusted for the assumptions about churn, attribution and contributory asset charge (costs of renting intangible assets from a hypothetical third-party).

In estimating the fair value of the technology and the brand, cost savings are discounted using a discount rate between 8.5%-12.8%. The royalty rate for technologies is assumed to be between 10.0%-30.0% and for the brands between 2.0%-4.0%. In estimating the fair value of the customer relationships, estimated net cash flows after contributory asset charges are discounted using a discount rate between 8.5%-12.8%. The brands are assumed to indefinite useful life, technologies a useful life of seven to eight years and customer relationship a useful life of ten years.

The valuation of intangible assets in business combinations are particularly sensitive to changes in royalty rates, churn and discount rates.

Description of 2021 business combinations

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 of which elements are compensation for Clever employees' whom prior to the acquisition was part of the Clever Inc. share-based payment plan ("Clever Options"). This element of compensation vest according to the historical share-based payment plan of Clever. The first part of the initial consideration was settled by a combination of cash ($254,842 thousand) and issuance of 7,300,765 shares in Kahoot! ASA at a subscription price of NOK 64.77 per share.

The performance-based element (see also note 19) relating to Clever is determined based on certain operational metrics at the end of 2021 and end of 2022. With respect to the elements of compensation to employees who are part of the Clever Options, they will also need to continue to be employees of Clever at the time the performance-based elements are met. If an employee should forfeit on the Clever Options, the amount forfeited are to be redistributed between the prior shareholders of Clever. In other words, the vesting condition in the case of the Clever Options have no impact on the total amount to be paid in connection with the business combination.

Given the contingent consideration will be determined and settled in the future, the nominal value is discounted to present value. Present value of the contingent consideration relating to the acquisition was initially recognized 1 September 2021 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%. As of 31 December 2021, the fair value of the contingent consideration relating to the acquisition was $47,524 thousand, whereof $32,144 thousand was current. The amount attributable to the Clever Options is $14,874 thousand, and relates to the portion of unvested share-based payment awards, subject to forfeitures. The amount accretes over time (included as part of employee benefit expense) following the vesting plan for the Clever Options. With respect to the portion not related to the unvested Clever Options, the changes in fair value from initial recognition to year-end are recognized as net change in fair value of financial instruments in the consolidated statement of profit or loss. The performance-based elements attributable to 2021 were settled in December 2021 and February 2022. The performance-based elements attributable to 2022 targets are expected to be settled in February 2023.

In December 2021, the second payment was settled by a combination of cash ($100,427 thousand) 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.

In February 2022, the third payment was settled by a combination of cash ($27,737 thousand) and issuance of 1,617,710 shares in Kahoot! ASA, whereof 1,571,345 shares at subscription price of NOK 31.63 per share, 43,650 shares at subscription price at NOK 64.77 per share and 2,715 shares at subscription price at NOK 48.08 per share.

Provisional purchase price allocation - assets acquired and liabilities assumed

The amounts recognized at the date of business combinations 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 business combinations with Clever are attributable to synergies, and will lead to additional value for the Group's subscription-based product offering when combined with the Kahoot! products and marketing as one product going forward.

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 profit or loss.

With respect to the Clever Options, there are specific accounting requirements following IFRS 3 – Business Combinations paragraph B55(a) and associated IFRIC ("IFRS Interpretation Committee") agenda decision, requiring that amounts that an individual employee would forfeit were they to leave service immediately after the acquisition are not part of the business combination, and should instead be recognised as a post-combination expense. The amount attributable to the Clever Options $14,874, related to the portion of unvested share-based payment awards, subject to forfeitures, is therefore not included in the purchase consideration below, but are to accrete over time (included as part of employee benefit expense) following the vesting plan for the Clever Options.

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 $6,625 thousand to the Group's total profit.

USD in thousands	**Clever**
Purchase consideration	
Cash consideration	368,212
Shares issued	76,128
Contingent consideration liability / earnout[1]	48,159
Total purchase consideration	492,499
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)
Total net identifiable assets acquired at fair value	97,154
Total purchase consideration	492,499
Goodwill	395,345
Net cash outflow arising on acquisition	
Cash consideration	254,842
Less: cash and cash equivalents acquired	9,657
Total cash consideration	245,185

[1] The earn-out will be settled by a combination of cash and shares. The liabilities incurred includes the earned portion of unvested share-based payment awards of $20,575 thousand. These liabilities were incurred by compensating, upon acquisition, equity-settled share-based payment awards held by employees of Clever Inc. with cash-settled and equity settled share-based payment awards, which are subject to forfeiture. The respective liabilities represent the portion of the replacement awards that relates to pre-acquisition services provided by the acquiree's employees and were measured at the fair value and will be settled by a combination of cash and shares.

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 – $27 million on a cash and debt-free basis, including a 2021 performance-based element. The initial consideration was settled by a combination of cash ($ 9,759 thousand) and issuance of 1,104,994 shares in Kahoot! ASA at a subscription price of NOK 93.90 per share.

The performance-based element (see also note 19) relating to Motimate is determined based on certain operational metrics at the end of 2021. Given the contingent consideration liability will be determined and settled in the future, the nominal value is discounted to present value. Present value of the contingent liability (earnout) relating to the acquisition was initially recognized 22 April 2021 at $1,814 thousand, whereof all is current. The main level three inputs used in assessing the fair value of the earnout is forecast of probability, cashflow and discount rate. The discount rate applied for Motimate was 12.5%. As of 31 December 2021, the fair value of the contingent consideration relating to the acquisition was $1,972 thousand, whereof all was current. The change in fair value from initial recognition to year-end is recognized as net change in fair value of financial instruments in the consolidated statement of profit or loss. The performance-based element was fully settled in February 2022.

In December 2021, the second payment (deferred payment) was settled by a combination of cash ($1,978 thousand) and issuance of 274,357 shares in Kahoot! ASA at a subscription price of NOK 93.90 per share.

In February 2022, the final payment was settled by a combination of cash ($800 thousand) and issuance of 277,599 shares in Kahoot! ASA at a subscription price of NOK 38.24 per share.

Provisional purchase price allocation – assets acquired and liabilities assumed

The amounts recognized at the date of business combinations 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 business combinations with Motimate are attributable to synergies, and will lead to additional value for the Group's subscription-based product offering when combined with the Kahoot! products and marketing as one product going forward.

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 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.

USD in thousands	Motimate
Purchase consideration	
Cash consideration	11,866
Shares issued	15,050
Contingent consideration liability / earnout [1]	1,814
Total purchase consideration	28,730
Brand	4,085
Technology	3,448
Customer relationships	998
Property, plant and equipment	4
Trade and other receivables	476
Cash and cash equivalents	2,522
Deferred tax liability	(1,361)
Trade payables and other current liabilities	(1,225)
Total net identifiable assets acquired at fair value	8,947
Total purchase consideration	28,730
Goodwill	19,783
Net cash outflow arising on acquisition	
Cash consideration	9,759
Less: cash and cash equivalents acquired	2,522
Total cash consideration	7,237

[1] The earn-out will be settled by a combination of cash and shares.

Digital Teaching Tools Finland Ltd (Whiteboard.fi)

Digital Teaching Tools Finland Ltd ("Whiteboard.fi", hereafter referred to as Whiteboard.fi or Whiteboard) 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 ($3,600 thousand) and 184,892 new Kahoot! ASA shares at a subscription price of NOK 110.39 per share.

The performance-based element (see also note 19) 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 consideration liability will be determined and settled in the future, the nominal value is discounted to present value. Present value of the contingent consideration liability (earnout) relating to the acquisition was initially recognized 23 February 2021 at $4,314 thousand, of which $2,702 thousand was non-current. The main level three inputs used in assessing the fair value of the earnout is forecast of probability, cashflow and discount rate. The discount rate applied for Whiteboard.fi was 12.8%. %. As of 31 December 2021, the fair value of the contingent consideration relating to the acquisition was $2,975 thousand, whereof $1,227 thousand was current. The change in fair value from initial recognition to year-end is recognized as net change in fair value of financial instruments in the consolidated statement of profit or loss. The performance-based elements attributable to 2021 was settled in February 2022 and the performance-based elements attributable to 2022 targets is expected to be settled in February 2023.

In February 2022, the last payment was settled by a combination of cash ($768 thousand) and issuance of 139,653 shares in Kahoot! ASA at a subscription price of NOK 32.34 per share.

Provisional purchase price allocation - assets acquired and liabilities assumed

The amounts recognized at the date of business combinations 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.

Goodwill from the business combinations with Whiteboard are attributable to synergies, and will lead to additional value for the Group's subscription-based product offering when combined with the Kahoot! products and marketing as one product going forward.

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.

USD in thousands	**Whiteboard.fi**
Purchase consideration	
Cash consideration	3,600
Shares issued	2,402
Contingent consideration liability / earnout [1]	4,314
Total purchase consideration	10,316
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)
Total net identifiable assets acquired at fair value	2,069
Total purchase consideration	10,316
Goodwill	8,246
Net cash outflow arising on acquisition	
Cash consideration	3,600
Less: cash and cash equivalents acquired	293
Total cash consideration	3,307

[1] The earn-out will be settled by a combination of cash and shares.

Unaudited pro-forma business combinations 2021

If the acquisitions in 2021 had occurred on 1 January 2021, the unaudited pro-forma revenue for the Group would have been $118,027 thousand and the Group's unaudited pro-forma loss would have been $5,627 thousand.

Description of 2020 business combinations

Actimo

Actimo ApS ("Actimo") was acquired by a purchase of 100% of the shares effective on 5 October 2020. Actimo, an employee engagement platform that empowers organizations to build corporate culture more efficiently with better communication, training and interaction with the workforce was acquired for a total consideration of $26 million on a debt and cash free basis including an additional performance-based element.

The performance-based element (see also note 19) requires the Group to settle an additional consideration of an estimated $6.285 million in a combination of shares and cash before 30 April 2021 in the event Actimo's achieves a certain revenue target for the year ended 31 March 2021. The fair value of the contingent consideration of $6.285 million was estimated by calculating the present value of future expected cash flows. The potential undiscounted amount of all future payments that Kahoot! could be required to make under the contingent consideration arrangement is between USD nil and $7 million. The performance-based element was fully settled in May 2021.

The total initial consideration was settled by a combination of cash and 1,114,963 new Kahoot! ASA Shares at a subscription price of NOK 46.82 per share.

In May 2021, the performance-based element was settled by a combination of cash ($4,734 thousand) and issuance of 186,039 shares in Kahoot! ASA at a subscription price of NOK 86.62 per share.

Purchase price allocation - assets acquired and liabilities assumed

The amounts recognized at the date of business combinations in respect of identifiable assets acquired and liabilities assumed are set out in the table below, using the exchange rate as of 5 October 2020 for Actimo.

Goodwill from the business combinations with Actimo are attributable to synergies, and will lead to additional value for the Group's subscription-based product offering when combined with the Kahoot! products and marketing as one product going forward.

Acquisition costs of USD 266 thousand have been recognized as part of other operating expenses in the consolidated statement of profit or loss.

Following the acquisition date 5 October 2020, Actimo contributed $1,125 thousand to the Group's revenue and a loss of $556 thousand to the Group's total loss in 2020.

USD in thousands	Actimo
Purchase consideration	
Cash consideration	21,034
Shares issued	5,643
Contingent liability / earn-out	6,285
Total purchase consideration	32,962
Brand	332
Technology	7,953
Customer relationships	-
Property, plant and equipment	-
Trade and other receivables	1,559
Cash and cash equivalents	1,503
Deferred tax liability	(1,049)
Trade payables and other current liabilities	(3,459)
Total net identifiable assets acquired at fair value	6,839
Total purchase consideration	32,962
Goodwill	26,123
Net cash outflow arising on acquisition	
Cash consideration	21,034
Less: cash and cash equivalents acquired	1,503
Total cash consideration	19,531

PlanB Labs Oü (Drops)

PlanB Labs Oü ("Drops", hereafter referred to as Drops) was acquired by a purchase of 100% of the shares effective on 28 November 2020. Drops, a growing language learning company was acquired for an initial consideration of $21 million on a debt and cash free basis in addition to a performance-based element estimated to be $20.673 million depending on Drops' performance for the years ended 31 December 2020, 2021 and 2022. The initial consideration was settled by a combination of cash and 859,169 new Kahoot! ASA Shares at a subscription price of NOK 62.63 per share.

The performance-based element (see also note 19) relating to Drops is determined based on invoiced revenue targets in 2020, 2021 and 2022 subject to a net cash flow conversion condition. Given the contingent consideration liability will be determined and settled in the future, the nominal value is discounted to present value. Present value of the contingent consideration liability (earnout) relating to the acquisition was initially recognized 28 November 2020 at $20,637 thousand, of which $15,037 thousand was non-current as at acquisition date 28 November 2020. The potential undiscounted amount of all future payments that Kahoot! could be required to make under the contingent consideration arrangement is between USD 10 million and USD 29 million. The main level three inputs used in assessing the fair value of the earnout is forecast of probability, cashflow and discount rate. The discount rate applied for Drops was 12.5%. The performance-based elements attributable to the 2020 targets was settled in February 2021, whereas the performance-based elements attributable to the 2021 targets was settled in February 2022. The performance-based elements attributable to 2022 targets is expected to be settled in February 2023. As of 31 December 2020, the fair value of the contingent consideration relating to the acquisition was $20,882 thousand, whereof $15,182 thousand was non-current. As of 31 December 2021, the fair value of the contingent consideration relating to the acquisition was $12,993 thousand, whereof $7,993 thousand was non-current. The change in fair value from initial recognition to year-end is recognized as net change in fair value of financial instruments in the consolidated statement of profit or loss.

In February 2021, the second payment was settled by a combination of cash ($4,109 thousand) and issuance of 121,618 shares in Kahoot! ASA at a subscription price of NOK 116.30 per share.

In February 2022, the third payment was settled by a combination of cash ($3,570 thousand) and issuance of 344,840 shares in Kahoot! ASA at a subscription price of NOK 36.42 per share.

Purchase price allocation - assets acquired and liabilities assumed

The amounts recognized at the date of business combinations in respect of identifiable assets acquired and liabilities assumed are set out in the table below, using the exchange rate as of 28 November 2020 for Drops.

Goodwill from the business combinations with Drops are attributable to synergies, and will lead to additional value for the Group's subscription-based product offering when combined with the Kahoot! products and marketing as one product going forward.

Acquisition costs of USD 275 thousand have been recognized as part of other operating expenses in the consolidated statement of profit or loss.

Following the acquisition date 28 November 2020, Drops contributed USD 726 thousand to the Group's revenue and a negative net income contribution of $104 thousand to the Group's total loss in 2020.

USD in thousands	Drops
Purchase consideration	
Cash consideration	16,372
Shares issued	6,073
Contingent liability / earn-out	20,673
Total purchase consideration	43,118
Brand	1,067
Technology	17,057
Customer relationships	-
Property, plant and equipment	45
Trade and other receivables	1,769
Cash and cash equivalents	1,676
Deferred tax liability	(3,625)
Trade payables and other current liabilities	(3,851)
Total net identifiable assets acquired at fair value	14,138
Total purchase consideration	43,118
Goodwill	28,980
Net cash outflow arising on acquisition	
Cash consideration	16,372
Less: cash and cash equivalents acquired	1,676
Total cash consideration	14,696

Unaudited pro-forma business combinations 2020

If the acquisitions in 2020 had occurred on 1 January 2020, the unaudited pro-forma revenue for the Group would have been $39,211 thousand and the Group's unaudited pro-forma loss would have been $35,972 thousand.

NOTE 5

REVENUE

Accounting principles

The revenue in the Group is generated from different subscriptions. The accounting principles for the different categories of revenue are described below.

Sale of subscriptions

Subscriptions are sold either through the Group's websites or through apps. The app itself is for free, but it is possible to sign up for different subscriptions based on a monthly price (through an in-app purchase). These subscriptions are cloud-based. They are presented in different ways for the different customer-types, but the underlying products are the same.

The subscriptions are not customized to the individual customers. Subscriptions are mostly prepaid, typically by twelve months or on a monthly basis. Certain subscriptions are sold with a lifetime payment. Life-time payment means a one-time payment for lifetime access. The subscriptions are mainly paid upfront by credit cards based on the contractually agreed subscription period.

The Group has the right to change or withdraw features, specifications, services and content without notifying the customers and customers are exposed to any positive or negative effects from these possible changes.

The transaction price is the agreed subscription fee. The subscriptions are the only performance obligation. The design and the content might change during the subscription period and the customers have an expectation that the products will be updated. The Group delivers a subscription which gives the customer access to the subscribed services. Revenue from the subscriptions is recognized over time, over the subscription period. Revenue from lifetime subscriptions is recognized over time based on the expected customer use period of a lifetime subscription. The Group has estimated the expected customer use period to be two years. The expected use period of an active user has been calculated based on the history of the annual subscriptions and customer retention. The Group has determined there is no significant financing element related to the lifetime subscriptions.

As the Group develop and acquire new businesses, these products are over time integrated in relevant subscriptions as part of a customer's access to the Kahoot! platform.

Sale of access to a digital platform - app providers

The Group provide app providers access to a digital platform used by schools to provide the students a digital classroom. The customer is the app provider, who get access to their users through the digital platform. The access to the platform is the only performance obligation.

The transaction price is a monthly fee (prepaid 12 months up-front) based on the number of schools that are connected to the customer's (i.e. the app providers) application. The fee is determined based on the number of included connections. If actual connections exceed the number of included connections, the app provider will be invoiced for the actual number of connections and for the remaining number of months in the subscription period.

Sale of access to a digital platform – corporate

The Group has subscriptions on different products that grant the customers access to platforms that enables the corporate customer to educate, communicate and support their employees. The subscriptions are invoiced through a subscription fee (either invoiced as prepaid 12 months or invoiced on a monthly basis).

The services include several performance obligations such as SaaS services, SMS-services, customer support services support, content production and consultancy hours. Setup services differs between the products. Where the set-up services cannot be performed by other providers, the set-up is not a separate performance obligation, but included in the subscription. If the set-up services can be performed by other providers, set-up services are considered to be a separate distinct performance obligation.

The subscriptions delivered are cloud-based and the service cannot be used without access to the platforms through the internet. The transaction price is allocated to the different performance obligation according to their fair value. Variable consideration relates to additional services. Revenue from the subscriptions is recognized over time according to the subscription period. SMS services and customer support services are recognized over time according to consumption. Revenue related to any additional SMS services, set-up services, content production, support or consultancy services are recognized when the service is performed (point in time recognition).

Partner sales
Subscriptions are also sold via a third party (though a Partner agreement). The Group provides its subscription to customers from the Partner's network in exchange for a fixed percentage fee charged by the Partner. As the Group maintains control over the services provided to the end customer the Group is considered as the principal for the services delivered. Revenue from partner sales is recognized on a gross basis with any related expenses recognized separately as cost of sales.

Sale of apps
Kahoot! offers stand-alone apps that customers can purchase through app stores. At the time of purchase the apps are sold and customers have access to the apps with no time limit. The customer can benefit from the software from the time of purchase (apps received at delivery). The value of future upgrades is regarded as insignificant by the management and are not considered a separate performance obligation. Customers are granted a right to use the subscription and the revenue is recognized at a point in time. The sales price is the amount paid in the app store. The app stores are collecting the payment on behalf of the Group.

The revenue related to app purchases is recognized at a point in time

Sale to schools
The Group provides a learning tool to schools which was further developed and transformed in 2021. The subscription includes a locally installed software and a SaaS service that enable the teachers to analyze progress, providing online learning and interaction, including managing access. Further, the student can store its progress and continue working at any computer. Without the cloud functionality the school will not be able to train and follow up their students in a digital way. The contract has been determined to have one performance obligation

The subscriptions are recognized over time according to the subscription period.

Contract liabilities
Contract liabilities relate to advances from customers for licenses paid in advance.

Description

Disaggregating of revenue

USD in thousands	2021	Restated 2020
Subscription revenue - recognized over time	90,081	26,030
Other revenue - recognized at point in time	935	3,113
Total revenue from contracts with customers	91,016	29,143
Other operating income	249	175
Total revenue and other operating income	91,265	29,318

Contract assets and contract liablities

USD in thousands	2021	Restated 2020
Contract liabilities at 1 January	30,686	6,788
Acquisition of business (note 4)	15,075	5,881
New contract liabilities	104,962	22,370
Revenue recognized in current year	(89,190)	(3,943)
Exchange differences	(761)	(410)
Contract liabilities at 31 December	60,772	30,686

No contract assets were recognized for the years then ended.

Information about major customers
The Company does not have single customers that generate 10% or more of the entity's total revenue.

Revenue by geography
In presenting the geographic information, revenue has been based on the geographic location of customers.

Revenue by geography

USD in thousands	2021	Restated 2020
USA and Canada	49,305	13,242
Europe	28,594	11,639
Asia Pacific	8,185	2,474
Latin America and The Caribbean	3,524	1,227
Africa, The Middle East, and India	1,659	737
Total revenue and other operating income	91,265	29,318

NOTE 6

EMPLOYEE BENEFIT EXPENSE

Accounting principles

Pension plans

The Group has a defined contribution plan for some of its employees. The Group's payments are recognized in the profit or loss as an employee benefit expenses for the year to which the contribution applies.

The Group's Norwegian entities are obligated to follow the stipulations in the Norwegian Mandatory Occupational Pensions Act. The Group's pension scheme adheres to the requirements, as set in the Act.

The pension rights of the Group's employees vary between the legal entities. However, all plans are defined contribution plans. The defined contribution plans had 246 members in 2021 and 172 in members in 2020.

Specification of employee expense

USD in thousands	2021	2020
Salaries and wages	29,910	11,875
Social security tax [1]	(4,267)	15,690
Share based payments [2]	10,517	3,069
Share based payments Clever Options [3]	5,023	-
Pension expenses	595	304
Other benefits	1,457	687
Total	43,235	31,625
[1] Of which social security tax related to share based payments	(7,552)	14,210
Average full-time employees	291	139

[2] See note 17 for further description of share-based payments.

[3] See note 4 for further description of Clever Options.

NOTE 7

OTHER OPERATING EXPENSES

Other operating cost consists of the following:

USD in thousands	2021	2020
IT and hosting services	8,847	3,833
Consulting services	11,062	5,040
Other operating expenses	9,824	1,687
Transaction costs	3,608	540
Listing preparation cost	3,011	453
Total other operating expenses	36,351	11,553

Specification of auditor's fees

USD in thousands	2021	2020
Statutory audit (Deloitte)	1,646	29
Statutory audit (Others)	11	-
Other assurance services (Deloitte)	53	42
Tax advisory services (Deloitte)	4	4
Other advisory services (Deloitte)	196	-
Total	1,910	75

NOTE 8

INCOME TAX

Accounting principles

Income tax expenses consist of taxes payable and changes to deferred tax. Tax is recognized in the profit or loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax

Deferred tax assets and liabilities are calculated on the basis of temporary differences between the carrying amount of assets and liabilities in the financial statement and their tax basis, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available, against which the assets can be utilized. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. The entities included in the consolidated financial statements are subject to income tax in the countries where they are domiciled.

Specification of income tax

Specification of income tax

USD in thousands	2021	2020
Income tax credit	(270)	(324)
Deferred tax income	(1,568)	(331)
Total income tax	(1,838)	(656)

Specification of deferred tax assets/liabilities recognized in the consolidated balance sheet

USD in thousands	Opening balance 2021	Charged to income	Business combination	Foreign exchange	Closing balance 2021
Fixed assets	(3)	(53)	(102)	-	(158)
Receivables	18	(21)	2	-	(1)
Soc. sec. cost share-based payments	3,982	(2,357)	-	(67)	1,558
Tax losses carried forward	16,104	(2,246)	9,739	(555)	23,042
Intangible assets	(5,843)	1,568	(42,493)	480	(46,288)
Net deferred tax assets/(liabilities)	14,258	(3,109)	(32,854)	(142)	(21,847)
Non-recognized deferred tax assets	(20,101)	4,677	(9,639)	622	(24,441)
Net tax liability	(5,843)	1,568	(42,493)	480	(46,288)

USD in thousands	Opening balance 2020	Charged to income	Business combination	Foreign exchange	Closing balance 2020
Fixed assets	(7)	4	-	-	(3)
Receivables	(1)	19	-	-	18
Soc. sec. cost share-based payments	1,061	2,620	-	301	3,982
Tax losses carried forward	7,680	7,373	805	246	16,104
Intangible assets	(1,346)	331	(4,674)	(154)	(5,843)
Net deferred tax assets/(liabilities)	7,387	10,347	(3,869)	394	14,258
Non-recognized deferred tax assets	(8,733)	(10,016)	(805)	(547)	(20,101)
Net tax liability	(1,346)	331	(4,674)	(154)	(5,843)

Reconciliation of effective tax rate

USD in thousands	2021	Restated 2020
Profit/(loss) before income tax	(3,718)	(35,176)
Expected income tax assessed at the tax rate for the Parent company 22 %	(818)	(7,739)
Adjusted for the tax effect of the following items:		
Non-deductible expenses	973	93
Non-taxable income	(965)	(3)
Income tax credit	(270)	(324)
Share-based payments	3,419	675
Change in unrecogn. deferred tax asset adjusted for business comb.	(4,158)	6,514
Change in valuation of acquired deferred tax benefit	-	117
Other	(19)	11
Income tax	(1,838)	(656)
Effective tax rate	49.4 %	1.9 %

Remaining lifetime of tax losses (net tax value)

USD in thousands	2021	2020
Denmark	1,128	1,076
Finland	306	267
Norway	10,808	12,691
UK	1,382	1,402
US	9,418	668
Total	23,042	16,104

USD in thousands	2021	2020
0-10 years	306	267
10-20 years	4,114	249
Without time limit	18,622	15,588
Total	23,042	16,104

NOTE 9

EARNINGS (LOSS) PER SHARE

Accounting principles

Basic earnings (loss) per share is calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period.

The calculation of diluted earnings per share is consistent with the calculation of the basic loss per share, but at the same time gives effect to all dilutive potential ordinary shares that were outstanding during the period, by adjusting the net profit/(loss) and the weighted average number of shares outstanding for the effects of all dilutive potential shares, for example:

- The net profit/(loss) for the period attributable to ordinary equity holders of the parent company shares is adjusted for changes that would result from the conversion of the dilutive potential ordinary shares.
- The weighted average number of shares is increased by the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

Description

The calculations of earnings (loss) per share attributable to the ordinary equity holders of Kahoot! ASA are based on the below net loss and share data.

(USD in thousands except share and per share amounts)	2021	Restated 2020
Basic earnings (loss) per share	(0.00)	(0.09)
Diluted earnings (loss) per share	(0.00)	(0.09)
Profit/(loss) for the year		
Used for calculating basic earnings (loss) per share	(1,880)	(34,520)
Used for calculating diluted earnings (loss) per share	(1,880)	(34,520)
Weighted average number of shares used as the denominator in calculating basic earnings (loss) per share	465,851,001	403,356,633
Weighted average number of shares outstanding for diluted earnings (loss) per share [1]	465,851,001	403,356,633

[1] The Company has 25,098,471 potential dilutive shares from share options outstanding, that can become dilutive in future periods (2020: 20,081,975).

NOTE 10

INTANGIBLE ASSETS

Accounting principles

Intangible assets acquired separately that have a finite useful life are carried at cost less accumulated amortization and any impairment charges. Amortization is calculated on a straight-line basis over the assets' expected useful life and adjusted for any impairment charges. Brands with an indefinite useful life will be tested annually for impairment.

Internally generated intangible assets

Expenditures on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, are recognized in profit or loss as incurred.

Expenditures on development activities are capitalized, if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Capitalized development costs include costs directly attributable to development of the intangible, such as personnel expenses and consultancy services. Otherwise, such expenses are expensed as and when incurred.

The amount initially recognized for the internally generated asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in the income statement in the period in which it is incurred.

The continual enhancement of the Kahoot! platforms is a key strategy to achieve the Group's goals, as the Kahoot! Group operates in a competitive environment, with well-funded and innovative competitors. Failure to maintain the pace of change and technology development would lead to a reduction in economic returns. The Kahoot! Group continues to invest in the functionality of its products and to improve the experience for all of its users and there is judgment in how to account for this subsequent expenditure on its existing intangible assets.

Judgment is required in evaluating whether subsequent development expenditure is to be capitalized as an internally generated intangible asset or expensed as incurred. The key elements of judgment are whether the development project will generate incremental probable future economic benefit and which projects result in substantial improvements that increase the functionality of the asset. Economic benefit is determined as either an increase in revenues or reduction in costs. Only those projects that are a substantial improvement and that result in direct and incremental economic benefit will be capitalized.

The expensed cost related to research and development amounted to USD 10,329 thousand in 2021 (USD 5,574 thousand in 2020).

USD in thousands	Internally generated intangible assets	Technology	Brands	Customer relationships	Other	Total
Cost						
Cost at 1 January 2020	4,400	4,216	2,108	-	266	10,990
Additions	-	-	-	-	-	-
Acquisition of business (note 4)	-	25,010	1,399	-	-	26,409
Exchange differences	128	960	107	-	8	1,203
Cost at 31 December 2020	4,528	30,186	3,614	-	274	38,602
Additions	1,477	1,801	-	-	-	3,278
Acquisition of business (note 4)	-	35,975	77,714	33,511	104	147,304
Exchange differences	(159)	(2,394)	(469)	(77)	(1)	(3,100)
Cost at 31 December 2021	5,846	65,568	80,859	33,434	377	186,084
Amortization and impairment						
Accumulated at 1 January 2020	1,760	200	-	-	127	2,087
Amortization for the year	821	1,030	28	-	18	1,897
Exchange differences	136	100	2	-	7	245
Accumulated at 31 December 2020	2,717	1,330	30	-	152	4,229
Amortization for the year	1,718	5,723	218	1,164	25	8,848
Exchange differences	(19)	(243)	(12)	(3)	-	(277)
Accumulated at 31 December 2021	4,416	6,810	236	1,161	177	12,800
Carrying amount at 31 December 2020	1,811	28,856	3,584	-	122	34,373
Carrying amount at 31 December 2021	1,430	58,758	80,623	32,273	200	173,284
Amortization method	Linear	Linear	Linear	Linear	Linear	
Estimated useful life	3-5 years	5-8 years	5 years - Indefinite	10 Years	10 Years	

NOTE 11

GOODWILL AND IMPAIRMENT

Accounting principles

Goodwill

Goodwill does not generate cash flows independently from other assets or groups of assets, and is allocated to the cash-generating units expected to benefit from the synergies of the combination that gave rise to the goodwill. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

As of 31 December 2021, goodwill relates entirely to the acquired companies. Goodwill in the acquisitions of Dragonbox, Poio, Actimo, Drops, Whiteboard and Motimate are all allocated to Kahoot! Group level. Synergies from these acquisitions are expected to be realized at Kahoot! Group level through the integration of these products in the Kahoot! subscriptions. Goodwill in the acquisition of Clever is allocated to Clever and Kahoot! Group level.

As of 31 December 2021 Actimo, Drops, Whiteboard and Motimate are separate cash-generating units, but for the purpose of goodwill impairment testing, they form a group of cash-generating units together with the inflows stemming from the Kahoot! product (Kahoot! excluding acquired business). Clever is a separate cash-generating unit that is tested separately.

Impairment of assets

Cash-generating units to which goodwill has been allocated, are tested for impairment annually or more frequently if there is any indication that the cash-generating unit may be impaired.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit to which the asset belongs. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

If it is not possible to estimate the recoverable amount of an individual asset, the group determines the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Intangible assets with a definite useful life and property plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually by comparing its carrying amount with its recoverable amount. and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Description

The Group had goodwill and intangible assets related to the acquisitions of DragonBox and Poio in 2019, Actimo and Drops in 2020 and Whiteboard, Motimate and Clever in 2021, see note 4.

The Group has also acquired brands as part its intangible assets. Brands are considered to have an indefinite useful life as the Group expects to continually sell products under the respective acquired brands.

The carrying amounts of goodwill and intangible assets with an indefinite useful life are as follows:

USD in thousands	2020	Acquisition	Exchange difference	2021
Kahoot!	77,745	148,687	(6,701)	219,731
Clever	-	274,699	-	274,699
Total goodwill	77,745	423,386	(6,701)	494,430
Intangible assets - brands	2,169	77,714	(358)	79,524

Impairment test 2021

Goodwill was tested for impairment at the end of 2021. No impairment losses were identified in 2021, as the determined recoverable amount was above the carrying value.

Significant estimation uncertainty

When testing goodwill, management used a model with a five-year projection of discounted cash flows (2022-2026) plus terminal value (calculated using Gordon's growth model with the perpetual growth of 1.5%). The net discounted cash flows were calculated after tax. The projected cash flows were derived from the business plans set up by the management based on the business plans resulting in the group's strategic long-term plans, adjusted for relevant recent changes in internal short-term forecasts. The main input parameters in the model were:

- Invoiced revenue
- Operational cost base.

Invoiced revenue is the amount invoiced to customers in the relevant period. The model input uses Invoiced revenue of $195 million in 2022, growing to $500 million in 2025. The implied compound annual growth rate in the period 2022 to 2025 is 38%. For 2026, invoiced revenue is estimated growing with approximately 30%. The revenue growth thereafter is captured in the terminal value, see description above on applied method and assumptions. The operational cost base is defined as cost of sales, employee benefit expenses and other operating expenses with cash outflow effect in the relevant period. The operational cost base is derived from the internal business plan set up by management adjusted for relevant changes in internal short-term forecasts, such as actual operational cost base at year-end 2021. The implied compound annual growth rate in the period 2022 to 2026 is 31%. The lower compound annual growth rate on operational cost base compared to invoiced revenue is due to scalability of the business model. The implied cash-margin (defined as invoiced revenue for the relevant period minus the operational cost base for the relevant period) for 2022 through 2026 ranges from 33 to 40%.

The required rate of return was calculated using the WACC method. The input data of the WACC was chosen by an individual assessment of each parameter. Information from representative sources and peer groups was used to determine the best estimate. The WACC was calculated to be 8.6% (2020: 8.5%). The same WACC was used for both CGUs, the reason being that the long-term risk profiles of the CGUs are not considered to be significantly different. The key parameters were set to reflect the underlying long-term period of the assets and time horizon of the forecast period of the business cases. The following parameters were applied:

- Risk-free interest rate: 1.4%. Based on weighted 10-year governmental bond derived and weighted from the markets in which Kahoot! derives its revenue from
- Beta: 1.2. Based on an estimated unlevered beta for peer companies chosen on basis of industry sector levered to the group's structure.
- Market Risk Premium: 6.0% (post tax). Based on market sources.

Sensitivity analysis

The Group has prepared a sensitivity analysis of the impairment tests to changes in the key assumptions which are terminal growth rate and discount rate. Any reasonably possible changes in the key assumptions would not cause the aggregate carrying amount exceeding the recoverable amount.

NOTE 12

PROPERTY, PLANT AND EQUIPMENT

Accounting principles

Property, plant and equipment are stated at historical cost, less accumulated depreciation and any impairment charges. Depreciation is calculated on a straight-line basis over the assets' expected useful life and adjusted for any impairment charges. Ordinary repairs and maintenance costs are charged to the consolidated statement of profit or loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in operating profit. Major assets with different expected useful lives are reported as separate components.

Property, plant and equipment are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount.

The difference between the asset's carrying amount and its recoverable amount is recognized in the profit or loss statement as an impairment loss. Property, plant and equipment that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

USD in thousands	Equipment and fixtures
Cost at 1 January 2020	490
Additions	214
Acquisition of business (note 4)	45
Exchange differences	(20)
Cost at 31 December 2020	729
Additions	216
Acquisition of business (note 4)	361
Exchange differences	(12)
Cost at 31 December 2021	1,294
Depreciation	
Accumulated at 1 January 2020	177
Depreciations for the year	125
Exchange differences	18
Accumulated at 31 December 2020	320
Depreciations for the year	351
Exchange differences	(10)
Accumulated at 31 December 2021	661
Carrying amount at 31 December 2020	409
Carrying amount at 31 December 2021	633
Depreciation method	Linear
Estimated useful life	3 to 5 years

NOTE 13
LEASING

Accounting policies

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The lease agreements do not impose any covenants.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments. Currently the company has one long-term lease contract, which relates to the head-office.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate similar to the length of the lease adjusted for margin relevant for the company and the assets held by the Group.

The Group is exposed to potential future increases in variable lease payments based on an index, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The right-of-use assets are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

The head office lease agreements include termination option and extension options. The termination option includes a significant fee. It is the management intention to not early terminate the contract. Further, due to the significant growth, they will need more space going forward and no extension is expected.

IT and hosting services are expensed as part of other operating expenses. Hosting agreements for physical servers are within scope of IFRS 16 and deemed to be short-term leases as the contracts can be cancelled within a few months by both parties with no substantial economic penalty. Cloud storage agreement contracts have been evaluated by management as outside the scope of IFRS 16 as leases, as there is no identifiable asset. The service purchased is cloud storage capacity not connected to any specific server location.

Description

The Group's lease agreements include the head office and hosting agreements for specific servers. The head office lease was entered into in December 2018 and was recognized using an incremental borrowing rate of 2.9%. Hosting agreements are defined as short-term leases and not recognized as part of the right-of-use assets and lease liabilities.

Carrying amount of right-of-use assets by class of underlying asset

USD in thousands	31.12.2021	31.12.2020
Buildings	2,909	3,165
Cars	19	-
Total right-of-use assets	2,928	3,165
Useful life	2-7 years	7 years
Depreciation method	Straight-line	Straight-line

Lease liabilities

USD in thousands	31.12.2021	31.12.2020
Current	1,007	964
Non-current	2,044	2,312
Total lease liabilities	3,051	3,276

Amounts recognized in the consolidated statement of profit or loss

USD in thousands	2021	2020
Depreciation of right of use asset	1,006	560
Interest expense	89	78
Expenses relating to short-term leases	1,247	922
Expenses relating to leases of low-value	10	6

The total cash outflow for leases including short-term and low value leases in 2021 was $2,337 thousand (2020: $1,542 thousand). Additions to right-of-use assets were $677 thousand in 2021 ($439 thousand in 2020).

Maturity profile lease liability

USD in thousands	Less than 1 year	1-3 years	3-5 years	Over 5 years	Total contractual cash flows
Lease liabilities 31 December 2021	2,152	4,358	3,518	1,164	11,192
Lease liabilities 31 December 2020	980	1,418	1,070	-	3,468

Reconciliation of lease financing liabilities cash and non-cash changes activities

USD in thousands	2021	2020
Opening balance 1 January	3,276	3,162
Cash changes		
Repayments of lease liabilities	(991)	(537)
Paid interest on lease liabilities	(89)	(78)
Non-cash changes		
Initial recognition of new leases	677	439
Index regulation	172	166
Accrued interest	89	78
Currency translation effects	(83)	46
Closing balance 31 December	3,051	3,276

NOTE 14

TRADE RECIEVABLES

Accounting policies

Trade receivables are initially measured at fair value. Trade receivables are non-interest bearing and trading terms range from 0 to 60 days and therefore classified as current. The receivables are subsequently measured at amortized cost using the effective interest method, if the amortization effect is material, less loss allowance.

Due to the short-term nature of the trade receivables, their carrying amount is considered to be the same as the transaction price.

Loss allowance and risk exposure
The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on payments profiles and customer contracts in the previous years. The majority of the Group's revenue is invoiced annually in advance with immediate payment through automated sales.

Receivables are grouped into categories and the expected loss rates reflect the Group's ability on collecting once receivables are overdue.

Description

USD in thousands	2021	2020
Trade receivables	12,187	3,204
Loss allowance	(423)	(47)
Total trade receivables, net	11,764	3,157

The basis for the loss allowance was determined as follows:

31 December 2021

USD in thousands	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	1.0 %	2.0 %	5.0 %	50.0 %	
Gross carrying amount - trade receivables	10,427	610	598	553	12,187
Loss allowance - trade receivables	104	12	30	277	423

31 December 2020

USD in thousands	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	1.0 %	2.0 %	5.0 %	50.0 %	
Gross carrying amount - trade receivables	2,810	234	145	15	3,204
Loss allowance - trade receivables	28	5	7	8	47

Movements in provision for expected credit losses

USD in thousands	2021	2020
Balance at the beginning of the year	47	57
Provision for expected credit losses	550	375
Business combinations (note 4)	254	-
Amounts written off during the year as uncollectable	(426)	(375)
Impairment losses reversed	(1)	(10)
Balance at the end of the period	423	47

NOTE 15

OTHER CURRENT ASSETS

Other current assets consist of the following:

USD in thousands	2021	Restated 2020
Deferred cost of sales	1,706	1,085
Inventory	103	95
Prepaid expenses	2,200	1,320
Other receivables	1,295	747
Total other current assets	5,304	3,247

Deferred cost of sales relates to app store costs where the related revenue is deferred.

NOTE 16

CASH AND CASH EQUIVALENTS

Accounting policies

Cash and cash equivalents include bank deposits. Cash and cash equivalents in foreign currencies are translated at closing rate. The consolidated statement of cash flows is presented using the indirect method.

Cash and cash equivalents

USD in thousands	2021	2020
Bank deposits	107,765	256,120
Total cash and cash equivalents	107,765	256,120

Restricted cash included in the above:		
Withholding tax in relation to employee benefits	698	538
Deposits	703	470

NOTE 17

SHARE-BASED PAYMENTS

Accounting policies

Share-based payment

Share-based compensation benefits are provided to employees.

Equity-settled, share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the grant date. The fair value is expensed over the vesting period as an employee benefit expense, with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest, based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The fair value at the grant date is determined using the Black-Scholes-Merton option pricing model, which takes into account the exercise price, the life of the option, the current price of the underlying shares, the expected volatility of the share price, any dividends expected on the shares and risk-free interest rate for the life of the option. The expected share price volatility is based on historical volatility for a selection of comparable listed companies adjusted with a premium taking into account the maturity of the peers compared to the Group. The risk-free interest rate is based on zero-coupon government bonds with a term equal to the expected term of the option being valued.

Social security contributions payable in connection with an option grant are considered an integral part of the grant itself. The charges are treated as cash-settled, share-based payments and re-measured at each reporting date.

When the options are exercised, the appropriate number of shares are transferred to the employee. The proceeds received from the exercise of the options (net of any directly attributable transaction costs) are credited directly to equity.

Share-based payment Clever Options

With respect to the Clever Options (see note 4 for further details), there are specific accounting requirements following IFRS 3 – Business Combinations paragraph B55(a) and associated IFRIC ("IFRS Interpretation Committee") agenda decision, requiring that amounts that an individual employee would forfeit were they to leave service immediately after the acquisition are not part of the business combination, and should instead be recognised as a post-combination expense. The amount attributable to the Clever Options $14,874 thousands, related to the portion of unvested share-based payment awards, subject to forfeitures. The amount accretes over time (included as part of employee benefit expense) following the vesting plan for the Clever Options.

Components of share-based payments in profit and loss

USD in thousands	2021	2020
Share options - equity settled (note 6)	10,517	3,069
Share options - Clever options (note 4)	5,023	-
Social security tax related to share based payments (note 6)	(7,552)	14,210
Total	7,988	17,279

Share-based payments

The Company has had a long-term share incentive scheme for employees in the Company and its subsidiaries since 2015. Employees are, on an individual basis, granted rights to acquire shares (options). Each option gives the holder the right to, but not the obligation, to subscribe to or purchase (at the Company's choice) one ordinary share in the Company at a strike price defined in the individual share option agreement.

The exercise prices are set by the Company.

The share options vest over a four-year period, provided the employee is still employed by the Group.

Granted instruments	2021	2020
Quantity 31.12 (instruments)	9,082,000	7,630,500
Quantity 31.12 (shares)	9,082,000	7,630,500
Contractual life [1]	4.71	4.63
Exercise price (NOK) [1]	48.42	47.59
Share price (NOK) [1]	55.69	42.99
Expected lifetime [1]	3.04	2.76
Volatility [1]	45%	47%
Interest rate [1]	0.91%	0.20%
FV per instrument (NOK) [1]	20.53	14.48
Vesting conditions	service	service

[1] Weighted average parameters at grant of instrument

Outstanding instruments

		31 December 2021		31 December 2020	
Grant Year	Exercise price (NOK)	Number of instruments outstanding[1]	Remaining contractual life[2]	Number of instruments outstanding[1]	Remaining contractual life[2]
2017	1.67	7,548,675	0.75	10,471,725	1.75
2018	3.33	223,000	1.75	233,000	2.75
2018	6.67	855,130	1.87	1,029,250	2.87
2019	8.33	467,000	2.67	522,500	3.67
2019	10.00	51,000	2.92	82,500	3.92
2019	13.33	-	0.00	15,000	3.92
2019	16.00	904,250	2.25	1,022,250	3.25
2019	16.67	150,000	2.92	150,000	3.92
2020	20.00	1,248,750	2.37	1,284,750	3.37
2020	28.00	300,000	3.43	300,000	4.43
2020	31.00	75,999	3.51	82,499	4.51
2020	36.00	50,416	3.69	50,416	4.69
2020	37.00	1,403,495	3.76	1,509,744	4.76
2020	50.00	208,998	3.87	208,998	4.87
2020	56.00	2,042,083	3.92	2,414,083	4.92
2020	58.32	685,675	3.92	705,260	4.92
2021	41.00	1,688,250	4.54	-	-
2021	48.00	4,575,000	4.25	-	-
2021	50.00	296,250	4.92	-	-
2021	59.00	1,247,250	4.44	-	-
2021	3)	1,077,250	4.92	-	-
Total		25,098,471		20,081,975	

[1] The share option numbers and exercise price are reflecting the 1:3 share split in June 2020, as further described in note 18.

[2] Weighted average remaining contractual life of options outstanding at end of period.

[3] Exercise price is determined on basis of price quoted for trades in the Company's shares prior to the date of the Company's annual general meeting in 2022.

Quantity and weighted average prices

	2021		2020	
Activity	Number of instruments [1]	Weighted average exercise price (NOK)	Number of instruments [1]	Weighted average exercise price (NOK)
As of 1 January	20,081,975	19.68	18,292,125	2.38
Granted during the year	9,082,000	48.42	7,630,500	47.51
Exercised during the year [2]	(3,195,100)	2.77	(5,539,347)	1.82
Forfeited during the year	(870,404)	44.82	(301,303)	3.93
Outstanding at 31 December	25,098,471	31.37	20,081,975	19.68
Vested per 31 December	11,050,863		9,190,141	

[1] The share option numbers and exercise price are reflecting the 1:3 share split in June 2020, as further described in note 18.

[2] The instruments were exercised at a share price of NOK 64.00 in 2021 and NOK 35.50 and NOK 46.00 in 2020

NOTE 18

EQUITY

Share capital and share premium

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.

	Total number of shares authorized, issued and outstanding	Share capital (NOK)	Share capital (USD)
Balance at 1 January 2020	129,359,496	12,935,950	1,473,293
Issued during the year	316,732,471	31,673,247	3,420,652
Currency effects from translation of equity	-	-	334,145
Balance at 31 December 2020	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 mergers, acquisitions, equity raises and exercise of share options. The Board of Directors were authorized to acquire treasury shares with a total nominal value of up to NOK 1.4 million.

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.

Share-based payments reserves

The share-based payments reserve represents the offsetting amount to employee expense and any related foreign translation effects. The reserve is fully distributable.

Foreign currency translation reserves

Exchange differences arising from the translation of the foreign entities are recognized in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss upon disposal of the net investment.

The table below shows the development in the Company's share capital in 2020 and 2021:

Date of registration	Type of change	Change in share capital (NOK)	New share capital (NOK)	Nominal value (NOK)	Total number of shares authorized, issued and outstanding	Subscription price per share (NOK)
8 Jun 20	Share capital increase and share split	25,871,899	38,807,849	0.1	388,078,488	1)
16 Jun 20	Share capital increase	1,141,178	39,949,026	0.1	399,490,263	2)
6 Oct 20	Share capital increase	111,496	40,060,523	0.1	400,605,226	46.82
13 Oct 20	Share capital increase	4,462,757	44,523,280	0.1	445,232,798	3)
4 Dec 20	Share capital increase	85,917	44,609,197	0.1	446,091,967	62.63
24 Feb 21	Share capital increase	12,162	44,621,359	0.1	446,213,585	116.30
9 Mar 21	Share capital increase	18,489	44,639,848	0.1	446,398,477	110.39
27 Apr 21	Share capital increase	110,499	44,750,347	0.1	447,503,471	93.90
3 May 21	Share capital increase	18,604	44,768,951	0.1	447,689,510	86.62
20 May 21	Share capital increase	2,500,000	47,268,951	0.1	472,689,510	68.00
10 Sep 21	Share capital increase	319,510	47,588,461	0.1	475,884,610	4)
17 Sep 21	Share capital increase	730,077	48,318,538	0.1	483,185,375	64.77
16 Dec 21	Share capital increase	339,610	48,658,148	0.1	486,581,479	5)
01 Mar 22	Share capital increase	256,967	48,915,115	0.1	489,151,150	6)

1) Transfer from other equity to share capital. Share split 1:3 creating 258,718,992 new shares.

2) Private placement directed towards selected investors (7,500,000 shares were subscribed for at a subscription price of NOK 35.5) and exercise of options for employees (46,875 shares were subscribed for at a subscription price of NOK 6.6667, 15,000 shares were subscribed for at a subscription price of NOK 3.3333, 3,819,900 shares were subscribed for at a subscription price of NOK 1.6667 and 30,000 shares were subscribed for at a subscription price of NOK 1).

3) Share option exercise with NOK strike price: 46/8.3333/6.6667/1.6667/0.58

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

5) Share issue with NOK subscription price: 93.90/64.77/48.08

6) Share issue with NOK subscription price: 64.77/48.08/47.06/38.24/36.42/34.55/32.34/31.63

NOTE 19

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Accounting principles

Financial liabilities regularly give rise to a redemption obligation in cash or another financial asset. These include, among others, trade payables.

Upon initial recognition, financial liabilities are measured at fair value. Trade payables and other non-derivative financial liabilities are subsequently measured at amortized cost using the effective interest method. A financial liability is derecognized when the obligation underlying the liability is discharged, canceled or expired.

Determination of fair value of financial instruments

The fair value of financial instruments are based on quoted prices as at the balance sheet date in an active market, if such markets exist. If an active market does not exist, fair value is established by using valuation techniques that are expected to provide a reliable estimate of the fair value. Financial instruments measured at fair value are classified according to the degree to which the fair value is observable:

- Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are unobservable market data.
- Changes in fair value are presented in profit or loss in the line-item Net change in fair value of financial instruments.

Critical accounting estimates

Measurement of the contingent liabilities relating to the business combinations in 2021 and 2020 required the use of critical accounting estimates when valuing the fair value of the liability. The fair value of contingent liabilities is determined by certain criteria and thresholds achieved after the close of the business combination.

The earnout relating to Whiteboard is determined based on invoiced revenue targets in 2021 and 2022 subject to EBITDA-margin ad net cash flow conversion conditions. The earnout relating to Motimate is determined based on achieving a pre-specified threshold of active and paying licenses and a pre-specified threshold of revenue churn on existing customer base at the time of acquisition. The earnout relating to Clever is determined based on invoiced revenue and cash-from-operations targets in 2021 and 2022 and pre-specific product achievement milestones in 2021, such as launching an updated version of the messaging system within the Platform.

The earnout relating to Actimo is determined based on the Annual Recurring Revenue (ARR) as of 31 March 2021. The earnout relating to Drops is determined based on invoiced revenue targets in 2020, 2021 and 2022 subject to a net cash flow conversion condition.

Given the contingent consideration liability will be settled in the future, the discounted cash flow method was used to capture the fair value of the contingent liability. The discount rate is estimated using the risk-free rate in which the acquired companies operate, market premium, asset beta, small stock and country risk premium. It is assumed that equity financing is the optimal capital structure as of reporting date.

Description

USD in thousands	2021	Restated 2020
Trade payables	5,359	1,817
Other current liabilities:		
Contingent consideration (note 4)	40,983	12,162
Deferred consideration (note 4)	1,757	-
Clever options (note 4)	1,299	-
Provision for social security tax share based-payment (note 17)	7,080	21,065
Other current payables	7,435	1,884
Total trade payables other current liabilities	63,913	36,928
Other current liabilities:		
Contingent consideration (note 4)	24,998	15,182
Deferred consideration (note 4)	15,323	-
Other non-current liabilities	244	265
Total other non-current liabilities	40,565	15,447

Contingent consideration is presented within other current liabilities and other non-current liabilities. The contingent liability is measured at fair value through profit and loss. Net change in fair value for the year ended 2021 was $2,594 thousand (2020: $848 thousand) and presented in the consolidated statement of profit or loss as net change in fair value of financial instruments. The earnout is measured according to level 3 in the hierarchy.

The main level 3 inputs used in assessing the fair value of the earnout is forecast of probability of cash outflow and discount rate. The discount rates applied range between 4.5% and 12.8%, whereas the probability of cash outflows varies from 75% to 100%.

Sensitivity analysis

The sensitivity of the fair value of the earnout based on a 25% increase or decrease of the probability of cash outflow or discount rate is as follows:

USD in thousands	25% increase	25% decrease
Change in probability of cash outflow	3,992	(15,301)
Change in discount rate	(575)	597

Financial instruments

USD in thousands	2021	Restated 2020
Financial instruments measured at amortized cost:		
Trade receivables	11,764	3,157
Cash and cash equivalents	107,765	256,120
Other current assets	5,304	3,247
Trade payable	(5,359)	(1,817)
Other non-current liabilities (see note 19)	(7,587)	(265)
Other current liabilities (see note 19)	(25,551)	(22,949)
Net financial instruments measured at amortized cost	86,336	237,493
Financial instruments measured at amortized cost:		
Other non-current liabilities (see note 19)	(24,998)	(15,182)
Other current liabilities (see note 19)	(40,983)	(12,162)
Net financial instruments measured at fair value through profit or loss	(65,981)	(27,344)
Total net financial instruments	20,355	210,149

The carrying value of all the financial assets at amortized cost approximates their fair value.

NOTE 20

FINANCIAL RISK MANAGEMENT

The most significant financial risks which affect the Group are credit risk, liquidity risk and market risk related to foreign exchange rate risk, described further below. Management performs continuous evaluations of these risks and related processes established to manage them within the Group.

Risk	Exposure arising from	Measurement
Market risk - foreign exchange	Future commercial transactions. Recognized financial assets and liabilities not denominated in the functional currency.	Cash flow forecasting. Sensitivity analysis.
Credit risk	Cash and cash equivalents, and trade receivables	Aging analysis. Credit ratings.
Liquidity risk	Current liability	Rolling cash flow forecasts

Market Risk

Market Risk - Foreign exchange

The Group presents its financial statements in USD. The Group operates in Denmark, Estonia, Finland, France, Norway, Spain, United Kingdom and the United States and have costs in local currencies while a major part of the Group's revenues are in USD. With different functional currencies, the Group will be exposed to currency gains and losses on receivables between the companies, which will affect its reported profit or loss. Fluctuations in exchange rates between NOK, USD, DKK, EUR and GBP could materially and adversely affect the Group's business, results of operations, financial condition, cash flow and prospects. The Group does currently not have any currency hedging arrangements in place to limit the exposure to exchange rate fluctuations.

The carrying amounts of the foreign currency denominated monetary assets and liabilities at the reporting date are presented in the table below. Foreign currency denominated monetary assets and liabilities are defined as monetary assets and liabilities that are held in a currency different than the functional currency of the respective consolidated entities. Monetary assets comprise of trade receivables, other current assets and cash and cash equivalents. Monetary liabilities comprise of trade payables and other liabilities (current and non-current).

USD in thousands	2021	2020
EUR	4,416	702
GBP	2,655	58
NOK	9,536	62
SEK	64	96
USD	98	181,259
Total monetary assets	16,769	182,177

USD in thousands	2021	2020
DKK	18	-
EUR	995	747
GBP	306	-
NOK	10,069	-
SEK	75	-
USD	12,993	21,150
Total monetary liabilities	24,456	21,897

The aggregate net foreign exchange gains/(losses) recognized in profit or loss were:

USD in thousands	2021	Restated 2020
Exchange gains	17,451	4,973
Exchange loss	(18,435)	(20,881)
Total net foreign exchange (losses) recognized in profit before income tax for the period	(984)	(15,908)

The net foreign exchange loss in 2020 was primarily caused by exchange rate losses on foreign currency cash balances held by the parent company. As of 1 January 2021 (see note 3), the functional currency of the parent company is USD and effects of fluctuations in foreign exchange rates has significantly lower impact on reported foreign exchange gains and losses.

Sensitivity analysis

If the following currencies had strengthened/weakened against the functional currency of the respective consolidated entities, it would have had the below effect on the Group's profit (loss) and equity.

Effect on profit or loss

		USD in thousands	
Currency	Change in rate	2021	2020
DKK	+/- 7%	(1)	-
EUR	+/- 7%	239	(3)
GBP	+/- 7%	164	4
NOK	+/- 7%	(37)	4
SEK	+/- 7%	(1)	7
USD	+/- 7%	(903)	11,208

Effect on equity

		USD in thousands	
Currency	Change in rate	2021	2020
DKK	+/- 7%	(1)	-
EUR	+/- 7%	187	(2)
GBP	+/- 7%	128	3
NOK	+/- 7%	(29)	3
SEK	+/- 7%	(1)	5
USD	+/- 7%	(704)	8,742

Credit risk

The Group's credit risk arises from cash and cash equivalents as well as outstanding receivables. The Group does not have significant credit risk associated by a single counterparty. The Group does not have a specific procedure for assessing credit risk for its customers before transactions are entered as the majority of customers are either invoiced through automated sales with immediate credit card payments or subscriptions invoiced with credit terms are mostly prepaid upfront. Historic credit losses are low, see also note 14.

Cash and cash equivalents: The counterparties for the Group's cash deposits are large banks which are considered to be very low credit risk. The Group's assessment is that there are no material credit risks associated with these cash deposits.

Liquidity risk

The Group monitors liquidity centrally across the group. It is the Group's strategy to have sufficient cash and cash equivalents to at any time fund operations and investments according to the company's strategic plans. The Group monitors its liquidity risk through a short-term and a long-term liquidity forecast to manage the target of a minimum position of cash imposed by the Board of Directors. The Group's financial liabilities are mainly trade payables and other current liabilities. Public duties relate to accrued payroll expenses and social security taxes payable on employee stock options, where most trade payables and accrued payroll expenses are paid within one year. The maturity of social security taxes payable is dependent on the exercise of employee stock options, for additional details see note 6.

Capital management

The Group's objectives for capital management are to ensure that it maintains sufficient free liquidity with regards to cash and cash equivalents in order to support its business and obligations as well as having sufficient flexibility to invest in attractive investment opportunities. The Group manages its capital structure in light of changes in economic and actual conditions, and the development in the Group's underlying business. The Group's equity ratio was 73% as of 31 December 2021 (76% as of 31 December 2020). The equity ratio is calculated as total equity divided by total assets. The Group does not have any interest-bearing loans or capital requirements defined by third parties.

NOTE 21

RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties to the Company, have been eliminated on consolidation, and are not disclosed in this note. Transactions with related parties are carried out on an arm's length basis, as also required the Public Limited Liability Companies Act, Sections 3-8 and 3-9 respectively.

USD in thousands

Related party	Relationship	Type of services	2021	2020
Glitrafjord AS	Owned by the CEO	Consulting services	380	285
Hermia AS	Owned by member of nomination committee	Consulting services	29	27
Total related party profit or loss items			410	312

The amounts in the table above are presented within other operating expenses.

The Group did not have any related party transactions that are recognized in the balance sheet at the end of each year presented herein.

Key management remuneration

	2021		2020	
USD in thousands	CEO	Other key mgmt.	CEO	Other key mgmt.
Short-term employee benefits	290	1,123	187	664
Post-employment benefits	3	37	3	11
Other benefits	1	105	1	12
Share based payments received	0	720	0	4,839
Total key management comp.	294	1,985	190	5,525

The CEO has 6 months' notice period and 6 months' severance pay.

In addition to the above, paid remuneration and fees to the Board of directors were $246 thousand in 2021 (2020: No board remuneration was paid). The remuneration consists of an annual remuneration reflecting the role in the Board and additional remuneration for any board committee the respective director takes part in.

Number of shared by key management personnel and the Board of Directors

	2021 Shares	2020 Shares
Eilert Hanoa (CEO) [1]	41,208,910	39,208,910
Åsmund Furuseth (CPO) [2]	7,606,000	7,606,000
Jostein Håvaldsrud (CTO) [3]	370,097	N/A
Lars Erik Grønntun (COO-CMO) [4]	1,119,960	1,119,960
Ken Østreng (CFO)	45,000	45,000
Mads Rebsdorf (CRO) [5]	100,000	100,000
Andreas Hansson (chairman of the Board) [6]	-	-
Akshay Naheta (member of the Board) [6]	-	-
Lori Wright (member of the Board)	-	-
Joanne Bradford (member of the Board)	-	-
Stefan Blom (member of the Board)	50,000	50,000
Sarah Blystad (employee representative member of the Board)	-	-
Alexander Remen (employee representative member of the Board)	-	-

The share numbers are reflecting the 1:3 share split in June 2020, as further described in note 18.

[1] Hanoa holds shares through Glitrafjord AS, which is controlled by Hanoa.

[2] Furuseth holds shares through Newbrott AS, which is controlled by Furuseth.

[3] Håvaldsrud holds shares through Jems Holding AS, which is controlled by Håvaldsrud.

[4] Grønntun holds shares through Eikum AS, which is controlled by Grønntun.

[5] Rebsdorf holds shares through MREB Invest AS, which is controlled by Rebsdorf.

[6] Hansson and Naheta are close associates of SoftBank. SoftBank held 82,269,397 shares as of 31 December 2021.

Stefan Blom, member of the board, holds 300,000 options (2020: 300,000 options). Lori Wright and Joanne Bradford, both members of the boards, holds 11,566 Restricted Share Units (RSU) each.

Share options held by management

For a description of the share-option program, see note 17.

The share option numbers and exercise price are reflecting the 1:3 share split in June 2020.

Share options 2021	Granted	Vested	Exercised	Total outstanding	Whereof exercise price not decided	Weighted average exercise price [2]	Remaining contractual life [1]
Eilert Hanoa (CEO)	-	237,500	-	750,000	-	27.0	2.48
Åsmund Furuseth (CPO)	-	50,000	100,000	100,000	-	56.0	3.92
Jostein Håvaldsrud (CTO)	500,000	-	-	500,000	125,000	59.0	4.39
Lars Erik Grønntun (COO-CMO)	-	312,500	-	750,000	-	24.8	2.37
Ken Østreng (CFO)	-	250,000	-	600,000	-	21.3	2.25
Mads Rebsdorf (CRO)	-	133,333	-	400,000	-	42.3	3.75

Share options 2020	Granted	Vested	Exercised	Total outstanding	Whereof exercise price not decided	Weighted average exercise price [2]	Remaining contractual life [1]
Eilert Hanoa (CEO)	600,000	37,500	-	750,000	150,000	19.2	3.48
Morten Versvik (CTO)	100,000	118,750	(750,000)	250,000	-	23.4	3.02
Åsmund Furuseth (CPO)	100,000	75,000	(500,000)	200,000	-	28.8	3.34
Lars Erik Grønntun (CMO-COO)	750,000	-	-	750,000	93,750	20.0	3.37
Ken Østreng (CFO)	600,000	-	-	600,000	75,000	16.0	3.25
Mads Rebsdorf (CRO)	400,000	-	-	400,000	100,000	37.0	4.75

[1] Weighted average remaining contractual life of options outstanding at end of period.

[2] For outstanding share options where the share option exercise price (NOK) is determined. Exercise price for remaining share options will be based on 20 days Weighted average exercise price (VWAP) prior to the date of the Company's annual general meeting in 2022 (2020: annual general meeting in 2021).

NOTE 22

INVESTMENTS IN SUBSIDIARIES

Company	Year of acquisition/ incorporation	Registered office	Voting share	Ownership share
Kahoot! EDU Ltd.	2014	United Kingdom	100%	100%
Kahoot! EDU Inc.	2015	United States	100%	100%
Poio AS	2019	Norway	100%	100%
Kahoot DragonBox AS	2019	Norway	100%	100%
Dragonbox Finland Oy	2019	Finland	100%	100%
We Want to Know S.a.r.l	2019	France	100%	100%
Kahoot! Denmark ApS	2020	Denmark	100%	100%
Actimo Communications SL	2020	Spain	100%	100%
PlanB Labs Oü	2020	Estonia	100%	100%
Kahoot! International AS	2020	Norway	100%	100%
Kahoot! International 2 AS	2021	Norway	100%	100%
Motimate AS	2021	Norway	100%	100%
Digital Teaching Tools Finland Ltd	2021	Finland	100%	100%
Clever, Inc	2021	United States	100%	100%

NOTE 23

SHAREHOLDER INFORMATION

Ownership structure

All shares have equal voting rights.

Largest shareholders as of 31 December 2021

Shareholders	Number of shares	% of shares
Glitrafjord AS	41,208,910	8.5 %
The Bank Of New York Mellon Sa/Nv	28,128,472	5.8 %
Datum AS	28,000,000	5.8 %
Bnp Paribas	20,000,000	4.1 %
Creandum Iii Lp	20,000,000	4.1 %
J.P. Morgan Securities Plc	20,000,000	4.1 %
State Street Bank And Trust Comp	19,903,666	4.1 %
State Street Bank And Trust Comp	13,695,091	2.8 %
Citigroup Global Markets Inc.	13,500,000	2.8 %
Folketrygdfondet	11,561,078	2.4 %
Versvik Invest AS	11,338,076	2.3 %
The Northern Trust Comp, London Br	9,668,295	2.0 %
Newbrott AS	7,606,000	1.6 %
Datum Invest AS	7,347,610	1.5 %
Euroclear Bank S.A./N.V.	6,919,909	1.4 %
State Street Bank And Trust Comp	6,534,777	1.3 %
Citibank, N.A.	5,968,704	1.2 %
Jpmorgan Chase Bank, N.A., London	5,958,178	1.2 %
J.P. Morgan Bank Luxembourg S.A.	5,728,782	1.2 %
Nordnet Bank AB	5,373,238	1.1 %
Total remaining shareholders	198,140,693	40.7 %
Total number of shares	486,581,479	100%

NOTE 24

CONTINGENCIES AND LEGAL CLAIMS

Accounting principles

Contingent liabilities are not recognized in the financial statements. Material contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

Description

As at 20 April 2022, Kahoot! is involved in two legal proceedings, an employee who was summary dismissed has filed suit against the company challenging the validity of the summary dismissal and claiming compensation, and a patent infringement suit in the USA.

The outcomes of these proceedings are subject to uncertainty. While acknowledging the uncertainties related to these matters, Kahoot! is of the opinion that based on the information currently available, and as advised by its legal counsel, these matters will be resolved without any material adverse effect individually or in the aggregate on the Group's financial position and earnings. Other than this, neither Kahoot! nor any other company in the Group is involved in or has received notice that it may be involved in any legal proceeding of such importance that they may be of significance for the Group.

Notwithstanding the foregoing, as a result of the nature of its business, Kahoot! and other companies within the Group may from time to time be party to various legal claims and proceedings that arise in the ordinary course of business, including customer, employee, tax and VAT related claims, in which third parties are seeking payment for alleged damages, reimbursement for losses, or indemnity. Furthermore, similar to most technology companies with international presence, Kahoot!'s international operations expose the Group to differences in foreign trademark, trade dress, copyright, patent and other laws concerning proprietary rights and degree of protection, and may from time to time be subjected to claims and allegation for infringement of third party intellectual property rights in the jurisdictions in which it operates. Management with the assistance of legal counsel in various jurisdictions periodically reviews the status of each matter and assesses potential financial exposure.

In line with the accounting principles, and the analysis made regarding the Group's legal disputes described above, Kahoot! has not accrued provisions for the potential outcome of these matters and the Group considers that no material loss is expected to result from these claims and legal proceedings.

NOTE 25

EVENTS AFTER THE REPORTING PERIOD

On 28 February 2022, Kahoot! issued at total of 2,569,671 shares in connection with the deferred and contingent considerations arising from the acquisitions in 2020 and 2021. Following the share issue, total number of shares in Kahoot! is 489,151,150. See also note 18.

On 18 March 2022, Kahoot! announced the suspension of commercial services and sales in Russia. In addition, Kahoot! is committed to supporting Ukraine and Ukrainian students, schools and educators by offering Kahoot! Edu solutions for free for one year for both K-12 and higher education institutions in Ukraine. Kahoot! did not have any offices or physical representation in either Russia or Ukraine prior to the invasion and the overwhelming majority of users in both countries are teachers and students using Kahoot!'s free services. Kahoot! assesses that the impact on Group's financial position and earnings is not material.

NOTE 26

NEW AND AMENDED STANDARDS NOT YET ADOPTED BY THE GROUP

The amendments to IFRS and new IFRS standards applicable to Kahoot! that have been issued but were not yet effective as of the balance sheet date are listed below. Kahoot! will implement the new standards from their effective date, subject to endorsement by the EU. At the date of the Board approval of these financial statements, Kahoot! has not identified any significant impact to the consolidated financial statements as a result of any new amendments or standards that are effective for 2022. The impact of changes which are effective from 2023 and beyond are not yet assessed.

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments are effective for annual periods beginning on or after 1 January 2022. They add an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

Amendments to IAS 16 – Proceeds before Intended Use

The amendments are effective for annual periods beginning on or after 1 January 2022. The amendments prohibit entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

Amendments to IAS 37 – Costs of Fulfilling a Contract

The amendments are effective for annual periods beginning on or after 1 January 2022. The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognizing a separate provision for an onerous contract, the entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendment is effective for annual periods beginning on or after 1 January 2023. The amendment clarifies that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

Amendments to IAS 1 – Disclosure of Accounting Policies

The amendment is effective for annual periods beginning on or after 1 January 2023. IAS 1 is amended to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

Amendments to IAS 8 – Definition of accounting estimates

The amendments are effective for annual periods beginning on or after 1 January 2023. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments are effective for annual periods beginning on or after 1 January 2023. The amendment requires companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

Management anticipates that these standards and interpretations will be adopted at the dates stated above provided that the standards and interpretations are approved by the EU with no material impact or significant changes.

PARENT COMPANY ANNUAL FINANCIAL STATEMENTS 2021

Parent company statement of profit or loss

USD in thousands

Note	Operating revenue and operating expenses	2021	Restated 2020
3	Operating revenue	55,032	24,504
4	Cost of sales	3,452	2,096
5	Payroll and related expenses	10,867	23,624
6	Other operating expenses	22,465	11,020
	Total operating expenses	36,784	36,740
	Operating profit/(loss) before depr. and amortiz. (EBITDA)	18,248	(12,236)
8	Depreciation tangible assets	158	110
7	Depreciation intangible assets	1,008	823
	Operating profit/(loss) (EBIT)	17,082	(13,169)
	Financial income and expenses		
	Financial income	1,219	345
9	Interest income from group companies	4,497	154
	Financial expenses	(15)	(186)
	Net foreign exchange gains (losses)	(1,433)	(16,632)
	Net financial income (expense)	4,268	(16,319)
	Profit/(loss) before income tax	21,350	(29,488)
13	Income tax	9,509	(5,898)
	Profit/(loss) for the year	11,841	(23,590)
	Allocations and transfers		
2	Transferred to/from other equity	11,841	(23,590)
	Total allocations transfers	11,841	(23,590)

Parent company balance sheet

USD in thousands

Note	ASSETS	2021	Restated 2020
7	Research and development	1,120	1,811
7	Technology	1,801	-
7	Domain	102	204
13	Deferred tax assets	6,680	14,373
	Total intangible assets	9,703	16,388
8	Fixtures and fittings	326	330
	Total tangible fixed assets	326	330
9	Investments in subsidiaries	112,634	68,113
9	Loans to group companies	471,107	25,643
	Total financial non-current assets	583,741	93,756
	Total non-current assets	593,770	110,474
10	Accounts receivables	2,817	944
	Prepaid expenses and other current assets	1,794	1,223
11	Cash and cash equivalents	84,150	251,274
	Total current assets	88,761	253,441
	TOTAL ASSETS	**682,531**	**363,915**
	EQUITY AND LIABILITIES		
2,12	Share capital	5,707	5,228
2.12	Share premium	655,991	359,977
2	Other paid-in equity	17,366	8,497
	Total paid-in equity	679,064	373,702
2,12	Other equity	(47,600)	(59,441)
	Total equity	631,464	314,261
14	Other non-current liabilities	1,748	-
	Total non-current liabilities	1,748	-
3	Deferred revenue	31,729	23,328
9	Liabilities payable to group companies	234	77
14	Accounts payable	3,083	1,524
14	Public duties payable	6,879	16,522
14	Other current liabilities	7,394	8,203
	Total current liabilities	49,319	49,654
	Total liabilities	51,067	49,654
	TOTAL EQUITY AND LIABILITIES	**682,531**	**363,915**

Oslo, 20 April 2022

Sign

ANDREAS HANSSON
Chair of the Board

Sign

STEFAN BLOM
Board member

Sign

AKSHAY NAHETA
Board member

Sign

JOANNE KUHN BRADFORD
Board member

Sign

LORI VARNER WRIGHT
Board member

Sign

ALEXANDER REMEN
Board member

Sign

SARAH BLYSTAD
Board member

Sign

EILERT HANOA
CEO

Parent company statement of cash flows

USD in thousands

Cash flow from operating activities	Note	2021	Restated 2020
Profit/(loss) before tax		21,351	(29,488)
Depreciation and amortization	7,8	1,166	933
Share-based payments expense	5	4,093	1,960
Change in trade receivables	10	(1,873)	212
Change in trade payables		1,559	616
Changes in public duties payable		(9,643)	9,686
Changes in intercompany balances		(1,174)	(1,294)
Changes in deferred revenue		8,401	15,280
Changes in other current assets		(571)	(73)
Changes in other liabilities		245	3,449
Items classified as effects of currency rate changes on cash and cash		231	15,544
Net cash flow from operating activities		23,785	16,825
Cash flow from investing activities:			
Purchases of fixed assets	8	(154)	(153)
Outflows due to purchases of intangibles	7	(562)	-
Cash payments acquisitions subsidiaries		(20,751)	(21,319)
Net cash flow from investing activities		(21,467)	(21,472)
Cash flow from financing activities:			
Change in intercompany loan financing	9	(366,901)	(22,902)
Net proceeds from equity issue	2	196,575	231,693
Net cash flow from financing activities		(170,326)	208,791
Effects of currency rate changes on cash and cash equivalents		884	7,692
Net change in bank deposits, cash and equivalents		(167,124)	211,836
Bank deposits, cash and equivalents at 1 January	11	251,274	39,438
Bank deposits, cash and equivalents at 31 December		84,150	251,274

PARENT COMPANY ANNUAL FINANCIAL STATEMENTS 2021 NOTES

NOTE 1

PARENT COMPANY ACCOUNTING PRINCIPLES

General information

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

Basis of preparation

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The financial statement is presented in USD.

Change in functional currency

As of 1 January 2021, the parent company Kahoot! ASA changed its functional currency from NOK to USD. The change in functional currency was the result of a review of the primary economic environment in which the entity operates, considering both current and prospective economic substance of the underlying transactions entered into by the company.

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

Classification and evaluation of balance sheet Items

Current assets as well as current liabilities include items which fall due for payment within one year after time of acquisition. The remaining items are classified as fixed assets / long-term debt. Current assets are evaluated to the lowest sum of acquisition cost and fair value. Fixed assets are evaluated to acquisition cost and depreciated over the expected economic lifetime. In case of permanent impairment testing fixed assets are written down to recoverable amounts.

Tangible assets

Tangible assets are stated at historical cost less depreciation and adjustments for impairment losses.

Acquisition cost of fixes assets includes fees, taxes and other direct purchase expenses necessary to prepare the fixed asset for operation. Accrued expenses for spare parts of fixed assets are included in the balance value when these kinds of expenses are considered to represent future economical benefits in excess of the originally assessed functional standard of the asset, and the expenses can be measured reliably. All other costs are expensed in the income statement as they occur.

Depreciations are charged to the income statement using the straight-line method over estimated utilized lifetime.

The remaining value of a fixed asset is evaluated annually unless the value is considered insignificant.

Intangible assets

Expenses relating to the development of intangible assets, including research and development expenses, are capitalized when it becomes probable that the future economic benefits arising from the assets will accrue to the company, and the cost of the assets can be reliably measured.

Intangible assets that are acquired separately, are recognized at historical cost.

Intangible assets with a limited economic life are amortized on a systematic basis. Intangible assets are written down to the recoverable amount if the expected economic benefits are not covering the carrying amount and any remaining development costs.

Subsidiaries

Subsidiaries are valued by the cost method. The investment is valued as cost of acquired shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental. Write downs are reversed when the cause of the initial write down are no longer present. Dividend and other distributions are recognized in the same year as accrued for in the subsidiary.

Accounts receivables

Accounts receivables and other receivables are recognized at their anticipated realizable value, which is the original invoice amount less an estimated allowance for impairment loss on these receivables. Individual considerations are made with respect to customer receivables and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, inclusive of restricted holdings.

Foreign currency

Foreign currency receivables and liabilities are converted using the year-end exchange rates. Foreign currency transactions are recorded at the exchange rate on the transaction date.

Revenue recognition

Revenues from software licenses (subscriptions) are recognized in the income statement based on the duration of the contract period.

Operational leases

Leases for which most of the risk rests with the other contracting party, are classified as operating leases. Lease payments are classified as operating costs and charged to the income statement over the contract period.

Pension contributions

Commitments to contribute pension arrangements to employees are charged to the income statement when they occur.

Provisions

A provision is recognized when the Company has a present liability (legal or implicit) resulting from a past event and it is probable that a contribution of resources entailing economic payment will be required to settle the liability, and a reliable estimate of the amount of the liability can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. When the effect of time is insignificant, the provisions will be equal to the size of the expense necessary to be free of the liability. When the effect of time is significant, the provisions will be the present value of future payments to cover the liability.

Income tax expense

The income tax consists of tax payable and changes to deferred tax. Income taxes are recognized in the income statement with exception of taxes from items recognized directly to equity.

Taxes payable amounts to expected payable tax from taxable profit for the year at applicable tax rates at the balance date, and adjustments (if any) of payable taxes from previous years. Provisions are made for deferred taxes based on the balance-oriented liability method, considering temporary differences between the carrying amount and the tax bate of assets and liabilities. Provisions for deferred taxes are based on expected settlements of balance values of assets and liabilities and are calculated with the tax rates approved for future periods at the balance date.

Deferred tax assets are recognized when it is probable that the Company will have a sufficient profit for tax purposes to utilize the tax asset. Deferred tax assets are reduced if it is no longer likely that the asset may be utilized.

Cash flow statement

Cash flow statement is prepared according to the indirect method.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Share-based payments

Share-based compensation benefits are provided to employees. For details and description of accounting policy regarding the share option program in Kahoot! Group, see note 17 in the consolidated Group financial statement.

Change in accounting principles

Warrants

Warrants issued in 2017 and exercised in 2018 not been accounted for in the parent financial statement prior to 1 January 2020. The effects from the warrants issued and exercised have been adjusted for in the opening balance as of 1 January 2020. The effects are as follows:

- Other paid in capital relating to warrants is recognized with $575 thousand.
- Other equity is reduced with $575 thousand and reflects the expenses that would be recognized through statement of profit or loss if the warrants had been recognized in prior periods.
- No effect on cash balances

Deferred revenue

During the second half of 2021, the Kahoot! updated and revised the model for estimating the recognition of revenue over time. The updated and revised model better reflects the timing within the month in which a sale occurred, compared to the model used for previously reported periods. The effect of the retrospective change in these accounting estimates is an overall deferral in the timing of the revenue recognition that resulted in an increase in the contract liabilities (deferred revenue) and a corresponding decrease in revenue for previously reported period. The updated model had no effect on cash balances.

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

Opening balance 2020:

- Contract liabilities (deferred revenue) increased by $716 thousand, offset to other equity of $716 thousand.

FY 2020:

- Deferred revenue increased by $1,720 thousand as per 31 December 2020, offset as reduced recognized revenue (operating revenue) of $1,720 thousand in 2020.
- Other current asset Increased by $73 thousand as per 31 December 2020, offset as reduced cost of sales of $73 thousand
- Net effect was an Increased loss for the period (2020) of $1,647 thousand, allocated to other equity with $1,647 thousand.

NOTE 2

EQUITY

USD in thousands

Equity	Share capital	Share premium	Other paid-in equity	Other equity	Total equity
Equity at 1 January 2020	1,473	92,621	2,022	(31,972)	64,144
Correction opening balance (see note 1)	-	-	575	(1,291)	(716)
Share issuance	3,421	245,876	-	-	249,297
Share-based payments	-	-	5,435	-	5,435
Profit/(loss) of the year	-	-	-	(23,590)	(23,590)
Currency translation differences	334	21,480	465	(2,588)	19,691
Equity at 31 December 2020	5,228	359,977	8,497	(59,441)	314,261
Share issuance	479	296,014	-	-	296,493
Share-based payments	-	-	8,869	-	8,869
Profit/(loss) of the year	-	-	-	11,841	11,841
Equity at 31 December 2021	5,707	655,991	17,366	(47,600)	631,464

NOTE 3

REVENUE

Over 90% of revenue in Kahoot! is prepaid annual contracts on software licenses (subscriptions).

Revenues from software licenses (subscriptions) are recognized in the income statement based on the duration of the contract period. All deferred revenue will recognized as operating revenue in within twelve months following the sale.

USD in thousands	2021	Restated 2020
Subscription revenue	55,032	24,504
Total operating revenue	55,032	24,504

USD in thousands	2021	Restated 2020
USA and Canada	29,211	12,725
Europe	15,202	7,694
Asia Pacific	6,576	2,326
Latin America and The Caribbean	2,558	1,043
Africa, The Middle East, and India	1,485	716
Total operating revenue	55,032	24,504

NOTE 4

COST OF SALES

Cost of sales relate directly to costs incurred on the Company's sales through the websites or through app stores. The Company partners with payment gateway providers and app stores as a marketing channel to sell their products. The payment gateways charge fees for processing and collecting payments from website sales and app stores collect a percentage ranging from 15% to 30% of revenues earned from the Kahoot! app store sales as a fee for payment collections services provided to the Company.

NOTE 5

PAYROLL COSTS, NUMBER OF EMPLOYEES AND BENEFITS

USD in thousands	2021	2020
Wages and salaries	10,695	7,658
Social security tax	4,553	13,238
Pension costs	221	149
Share-based payment	(5,081)	1,959
Other personnel costs	479	620
Total payroll expenses	10,867	23,624
Average full-time employees	106	83

CEO and Directors' remuneration	Salary	Pensions	Other benefits
CEO	290	3	1

The CEO has 6 months' notice period and 6 months' severance pay.

The CEO was not granted any share options in 2021 (2020: 600,000 share options) and has 750,000 share options outstanding as of 31 December 2021 (2020: 750,000 share options). Reference is made to note 21 in the consolidated Group financial statement for furher information of share options.

In addition to the above, paid remuneration and fees to the Board of Directors were $246 thousand in 2021 (2020: No board remuneration was paid).

For details regarding the share option program in Kahoot! Group, see note 17 in the consolidated Group financial statement.

The company is obligated to follow the stipulations in the Norwegian Mandatory Occupational Pensions Act. The company's pension scheme adheres to the requirements, as set in the Act. The defined contribution plans had 106 members in 2021 (2020: 90).

NOTE 6

OPERATING EXPENSES

Other operating expenses by main category

Other operating cost consists of the following:

USD in thousands	2021	2020
Consulting	9,227	3,624
Office rent	1,102	723
IT and hosting services	5,713	3,688
Other operating expenses	2,797	963
Intercompany expenses	3,626	2,022
Total	22,465	11,020

Specification of auditor's fees

Remuneration to Deloitte:

USD in thousands	2021	2020
Statutory audit	1,585	22
Other assurance services	50	41
Tax services	-	4
Other advisory services	194	-
Total	1,829	67

NOTE 7

INTANGIBLE ASSETS

USD in thousands	R&D	Technology	Domain	Total
Cost at 1 January 2020	4,400	-	199	4,599
Additions	-	-	-	-
Exchange differences	128	-	5	133
Cost at 31 December 2020	4,528	-	204	4,732
Additions	215	1,801	-	2,016
Exchange differences	-	-	-	-
Cost at 31 December 2021	4,743	1,801	204	6,748
Accumulated at 1 January 2020	1,760	-	-	1,760
Amortization for the year 2020	823	-	-	823
Exchange differences	134	-	-	134
Accumulated at 31 December 2020	2,717	-	-	2,717
Amortization for the year	906	-	102	1,008
Exchange differences	-	-	-	-
Accumulated at 31 December 2021	3,623	-	102	3,725
Carrying amount at 31 December 2020	1,811	-	204	2,015
Carrying amount at 31 December 2021	1,120	1,801	102	3,023
Estimated useful life	3-5 years	3-5 years	10 years	
Amortization method	Linear	Linear	Linear	

In the second half of 2021, Kahoot! acquired Intellectual Property Rights (IPR) to extend the Kahoot! platform. The acquisition was capitalized and classified under technology in the table above. The acquired IPR was not ready for use at the end of 2021 and as such there has been no amortization charged in 2021.

NOTE 8

PROPERTY, PLANT AND EQUIPMENT

USD in thousands	IT equipment	Fittings and fixtures	Total
Cost at 1 January 2020	143	218	361
Additions	121	39	160
Exchange differences	8	6	14
Cost at 31 December 2020	272	264	535
Additions	154	-	154
Exchange differences	-	-	-
Cost at 31 December 2021	426	264	689
Accumulated depreciation at 1 January 2020	48	35	83
Depreciation for the year	62	48	110
Exchange differences	7	5	12
Accumulated depreciation at 31 December 2020	117	88	205
Depreciation for the year	105	53	158
Exchange differences	-	-	-
Accumulated depreciation at 31 December 2021	222	141	363
Carrying amount at 31 December 2020	155	176	330
Carrying amount at 31 December 2021	204	123	326
Estimated useful life	3 years	5 years	
Depreciation method	Linear	Linear	

NOTE 9

INVESTMENT IN SUBSIDIARIES AND TRANSACTIONS AND BALANCES WITH RELATED PARTIES

USD in thousands

Company	Year of acquisition	Registered office	Ownership/ voting share	Equity 2021 [2]	Net result 2021 [1]	Book value
Kahoot! EDU Ltd	2014	UK	100%	222	16	137
Kahoot! EDU Inc	2015	US	100%	(2,141)	49	687
Poio AS	2019	Norway	100%	(696)	(41)	6,959
Kahoot Dragonbox AS	2019	Norway	100%	(4,229)	(1,701)	22,506
Kahoot! Denmark ApS	2020	Denmark	100%	3,013	86	38,923
Kahoot! International AS	2020	Norway	100%	1,508	3,621	1,000
Kahoot! International 2 AS	2021	Norway	100%	(4,569)	(4,507)	2,347
Motimate AS	2021	Norway	100%	2,993	(833)	29,419
Digital Teaching Tools Finland Ltd	2021	Finland	100%	204	154	10,656

[1] Net result included from the date of acquisition for companies acquired during the year. Net result is translated to USD using average foreign exchange rate for the year.

[2] Equity is translated to USD using the closing foreign exchange for the year.

USD in thousands

Company	Receivables	Liabilities	Interest
Kahoot! EDU Ltd	-	(227)	-
Kahoot! EDU Inc	44	-	-
Poio AS	730	-	16
Kahoot Dragonbox AS	2,540	-	49
Actimo ApS	-	(7)	-
Kahoot! International AS	29,151	-	601
Kahoot! International 2 AS	438,642	-	3,831
Total	471,107	(234)	4,497

Transactions with related parties are carried out on an arm's length basis; cf. also the Public Limited Liability Companies Act, Sections 3-8 and 3-9.

NOTE 10

TRADE RECEIVABLES

USD in thousands	2021	2020
Accounts receivables	2,857	985
Provisions for bad debt	(40)	(41)
Total	2,817	944

NOTE 11

CASH AND CASH EQUIVALENTS

USD in thousands	2021	2020
Cash and cash equivalents	84,150	251,274
Whereof restricted cash	(1,187)	(906)
Non restricted cash	82,963	250,368

NOTE 12

SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital in the company as of 31 December 2021 consists of:

	Total number of shares authorized, issued and outstanding	Share capital (NOK)	Share capital (USD)
Balance at 1 January 2020	129,359,496	12,935,950	1,473,293
Issued during the year	316,732,471	31,673,247	3,420,652
Currency effects from translation of equity	-	-	334,145
Balance at 31 December 2020	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

For shareholder information, see note 23 in the consolidated Group financial statement.

NOTE 13

TAX

USD in thousands

Specification of income tax:	2021	2020
Changes in deferred tax over profit and loss	9,509	(5,898)
Income tax	9,509	(5,898)

Reconciliation from nominal to real income tax rate:	2021	2020
Profit/(loss) before taxation	21,350	(29,488)
Estimated income tax according to nominal tax rate (22%)	4,697	(6,487)
The tax effect of the following items:		
Share-based payments	900	431
Non-deductible expenses	173	26
Change in valuation earn-out (non-taxable/non-deductible)	(175)	-
Prior year corrections [1]	(471)	361
Other items [2]	4,385	(229)
Income tax	9,509	(5,898)
Effective income tax rate	45%	20%

[1] Prior year corrections for 2020 relates to tax effect of restates described in note 1. $1,647 thousand with tax rate 22% is $361 thousand. Prior year correction for 2021 relates to the timing of taxable deduction of transactions costs arising between 2017 and 2019.

[2] As mandated in Norway, all taxable income in Norway must be converted and reported in NOK. Kahoot! ASA from 1 January 2021 has USD as its functional currency (see note 1), as such foreign exchange currency translation difference occur when converting USD to NOK for tax reporting purposes. For 2021 the foreign exchange currency translation resulted in additional taxable income of $19.5 million (NOK 168 million). The effect on income tax was $4.4 million.

Specification of the tax effect of temporary differences and losses carried forward

	2021		2020	
USD in thousands	Benefit	Liability	Benefit	Liability
Fixed assets	-	4	-	3
Receivables	8	-	566	-
Social security contribution on share-based payments	1,301	-	3,332	-
Losses carried forward	5,375	-	10,478	-
Total	6,684	4	14,376	3
Off-balance sheet deferred tax benefits	-		-	
Net deferred benefit/liability in the balance sheet	6,680		14,373	

Changes in deferred taxes assets in the balance sheet is $7,693 thousand year-on-year. The change comprises changes in deferred tax over profit and loss of $9,509 thousand and changes in deferred tax over equity of negative $1,816 thousand.

In 2021, company has achieved a strong revenue growth as result of successful commercial development of the Kahoot! offerings. Kahoot!'s net income and cash flow from operations in 2021 is positive. The deferred tax benefit is included in the balance sheet on the basis of future taxable income.

NOTE 14

FINANCIAL LIABILITIES

USD in thousands	2021	2020
Trade payables	3,083	1,524
Other current liabilities		
Contingent consideration	3,938	6,814
Provision for social security tax share-based payment	5,721	15,145
Other current payables	4,614	2,766
Total trade payables other current liabilities	17,356	26,249
Other non-current liabilities		
Contingent consideration	1,748	-
Total other non-current liabilities	1,748	-

Contingent consideration (earnout) relates to acquisitions in 2021 and 2020. The contingent consideration relating to 2020 was fully settled in 2021. The current part of the contingent consideration relating to 2021 was settled in the first quarter of 2022, whereas the non-current part is expected settled within end of the first quarter 2023. For details and description of accounting policy regarding the contingent considerations, see note 4 and note 19 in the consolidated Group financial statement.

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. Please see at right further description of these APMs.

- 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.

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To the General Meeting of Kahoot! ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kahoot! ASA, which comprise:

- The financial statements of the parent company Kahoot! ASA (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Kahoot! ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

The Company was listed in March 2021. We were the independent auditor of the Company prior to the listing. We have been the independent auditor of the Company for 1 year after the listing, including the year of listing.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Business Combination – Clever Inc.

Key audit matter	How the matter was addressed in the audit
During 2021 the Group acquired three businesses. These acquisitions varied in size and complexity. With reference to disclosures in note 4, the acquisitions of Clever Inc. ("Clever") was the most significant and also the most complex transaction. The acquisition of Clever was closed on September 1, 2021, for a consideration of USD 492.5 million. Management has completed a provisional purchase price allocation for Clever ("PPA"), in order to allocate the consideration between the various assets and liabilities recognised following the transactions. Identifiable assets and liabilities acquired in the business combination are recognised at fair values on the acquisition date. Judgment is required when identifying and valuing the assets and liabilities acquired, including valuing the intangible assets. Management engaged external fair value specialist to perform the valuation of certain assets of Clever. With respect to the acquisition of Clever, acquired intangible assets included technology valued at USD 31 million, brand valued at USD 73 million and customer relations valued at USD 32 million. The goodwill arising for the acquisition amounted to USD 395.3 million. The key judgments in determining the fair value of the intangible assets acquired in the transaction were Weighted Average Cost of Capital, Churn and Royalty Rate. We assess the purchase price allocations to be a key audit matter due to the significant judgment required related to identification and valuation of intangible assets acquired.	• In responding to the identified key audit matter, we completed the following audit procedures: • we evaluated the process used by management to identify and value the assets and liabilities acquired including assessing the design and implementation of relevant controls over business acquisitions. • we obtained the purchase agreements and assessed whether the transactions have been accounted for in accordance with IFRS 3 Business Combinations. • we obtained and assessed the work performed on the purchase price allocation by management's external fair value specialist, focusing on the valuation of intangible assets as follows; • we assessed the fair value adjustments and reconciled back to the purchase price allocation, • with the assistance of our internal value specialists, we assessed the valuation methodology and assumptions used, • we recalculated the values provided by management's external fair value specialist utilizing our internal valuation models, and • we have assessed management's external fair value specialist's requisite competency and experience to assist management in the preparation of the purchase price allocations. • We have also reviewed the disclosures included in note 3 and 4 of the consolidated financial statements.

Goodwill

Key audit matter	How the matter was addressed in the audit
In the Group's consolidated financial statements as of December 31, 2021, the carrying value of goodwill amounted to USD 494.4 million. For further information and a description of estimates and judgments involved related to assessments of the carrying value of goodwill, refer	We assessed the design and implementation of the controls established by management related to assessment of the recoverability of goodwill. We assessed and challenged, by reference to past performance, externally derived data and forecast for economic factors, the reasonableness of management's judgements, in particular:

to note 11 in the Group's consolidated financial statements. According to IFRS as adopted by the EU, the goodwill is required to be tested for impairment annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverability of the goodwill is dependent on assumptions about forecast of future cash flows, specifically forecast revenue, operating margin and long-term growth rates along with discount rates. The outcome of impairment assessments could vary significantly if different assumptions were applied. We assessed goodwill to be a key audit matter due to the importance of assumptions and level of uncertainties and judgements involved.	• the cash flow forecast; • the long-term growth rate; and We have evaluated the assumptions and methodologies used and tested the mathematical integrity of the models. We utilized our internal fair value specialists to assess the discount rates used. We have also reviewed the disclosures included in note 11 of the consolidated financial statements.

Other Information
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 2549004957SZTRN8CW77-2021-12-31-en.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 20 April 2022
Deloitte AS

Reidar Ludvigsen
State Authorised Public Accountant

This document is signed electronically.

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the consolidated financial statements for the year ended 31 December 2021 have been prepared in accordance with IFRS as adopted by the EU, that the financial statements for the parent company for the year ended 31 December 2021 have been prepared in accordance with the Norwegian Accounting Act, that they give a true and fair view of the Company's and Group's assets, liabilities, financial position and results of operations, and that the Report of the Board of Directors gives a true and fair review of the development, performance and financial position of the Company and the Group and includes a description of the principle risks and uncertainties that they face.

20 April 2022

Sign

ANDREAS HANSSON
Chair of the Board

Sign

STEFAN BLOM
Board member

Sign

AKSHAY NAHETA
Board member

Sign

JOANNE KUHN BRADFORD
Board member

Sign

LORI VARNER WRIGHT
Board member

Sign

ALEXANDER REMEN
Board member

Sign

SARAH BLYSTAD
Board member

Sign

EILERT HANOA
CEO

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