

Kahoot! Investor Day

June 1, 2022

Amanda Taselaar:

Hi, everyone. Welcome to Kahoot!'s virtual investor day. I'm Amanda Taselaar from Kahoot!, and I will be your host today. We want to thank you for taking the time to be with us as we are excited to give you updates on our progress here at Kahoot!. We will start by giving you an introduction of our business strategy and our future plans. Then we will proceed by introducing the Kahoot! platform, the various business areas, in addition to Clever, followed by commercialization and financials. At the end of our presentations, we will have a Q&A session. So please feel free to share your questions as we move through, in the ask a question tab on the right hand side of your screen.

Amanda Taselaar:

Also the slides for this presentation and the recording will be made available to you. Today we have with us here, Eilert Hanao, CEO, Ken Østreng, CFO, Jostein Håvaldsrud Group CTO, Agnete Pedersen, VP of Kahoot! Academy, James Micklethwait, VP of Kahoot! at Work, Sean D'Arcy, VP of Kahoot! at School and Home, Craig Narveson, director of strategic partnership and Trish Sparks, CEO of Clever. I will now pass it off to our CEO Eilert to get us started. Off to you Eilert.

Eilert Hanao:

Thank you, Amanda, and welcome everyone today. And thank you very much for attending this event. We have been looking forward to today's presentation. And what we're going to do today is to look at the longer term ambitions and plans of the company, provide more visibility and also share more insights with you. I'm very pleased to have with me passionate colleagues in the Kahoot! group leadership team, who will walk you through how we think about a very exciting future. Today's presentation will cover what has become the Kahoot! universe as of '22, expounded significantly over the last couple of years.

Eilert Hanao:

We will of course talk through the Kahoot! engagement and learning platform, the core of it all. And as Amanda mentioned, we will present out our plans for the different business areas, as well as our technology, strategy and financial framework. We are also pleased to brief you further on Clever which inside the Kahoot! universe is a platform on its own with a huge potential. And needless to say, we will also touch upon the wider suite of learning solutions in the Kahoot! group that we offer. Kahoot! is generally a highly purpose driven company. We, by making learning awesome, want to help the world to be a better place by ensuring inclusive and equitable quality education and making education and learning accessible around the world.

Eilert Hanao:

And we have been coming a long way in this journey. Our purpose is our guiding star, both internally within our global team, but as well as externally, whether it's building new products or features or working together with our partners and NGOs across the world. Driven by our values and our purpose, we are on a mission to improve lifelong learning by building the leading learning and engagement platform in the world. The Kahoot! group has never been stronger than it is right now. A few weeks ago,

we presented our first quarter numbers, which again, underscore some of the inherent strong holes of the Kahoot! business, our massive reach with approximately 2 billion participating players just last 12 months.

Eilert Hanoa:

The steady growth of new paying subscriptions with now just below 1.2 million and also increased conversion to pay. And of course, talking to the gradual long term commercialization of the platform. The scalability of our business model with relatively low costs for each new unit of revenue coming our way, which of course helped us again to increase profitability over time. And now we are proven through the 10th consecutive quarters of positive cashflow operations, this really comes to life and shows the elements in our strategy that we are also going to talk more about today. In looking at Kahoot!, one has to understand the origin of the company and where we come from.

Eilert Hanoa:

In essence, we had an early phase where the company was founded with its foothole and established to service the market with a simple quiz that was easy to use and a casual tool for everyone. That was essentially a multiple choice quiz, which became instantly massively popular and still is. And then from 2018, we kicked off with our first commercial offering. That was basically the commercial transition of the company with our first paid editions for different segments, teachers first, then professionals. And of course for home use eventually, and this really expanded our scope. Including in this phase, we developed more features, more offerings, and we also extended to the first additions for the enterprise kind of companies and for used across organizations.

Eilert Hanoa:

In the last couple years we've been completing both strategic acquisitions to build out our learning platform with the wider offerings from acquisitions, in addition to of course, continue to invest in organic growth through products, through better services and more value. And that of course is a fantastic foundation for us as we're now commencing on the journey with much more scale, with a broader set of features and functionality and services and deeper value for our users in our offerings, both for learning engagement, and with that more significant footprint among professional users in the corporate market, a more synergetic platform, including Clever for schools and educational institutions, and also further step up in our commercial and financial game.

Eilert Hanoa:

In essence, we've gone from zero revenue in the beginning of '18 through \$6.5 million in the first quarter of 2020, and now over \$34 million in the first quarter of 2022. And we are now getting probably started with our commercial scaling. And as you will see today, we have a solid plan for the next coming years that we believe will take us to the ambition of \$500 million in invoice revenue in 2025 and beyond in the long term.

It's also easy to forget that Kahoot! has in a few years conquered a very prominent position in the global marketplace. We have users across the world in over 200 countries and regions with as mentioned over 2 billion participants in players last four months. In addition to that, we have now started the journey of localizing our service for several regions and languages, now reaching 15 languages and the last additions being Arabic simplified Chinese and traditional Chinese, in addition to Ukrainian.

Eilert Hanoa:

We have a commitment to continuously localize the services and make sure that as many as possible are able to use Kahoot!. This effort pays off well, as you can see, both with example of the Spanish launch and the Japanese launch that truly shows that not only is the product and services becoming more available, but it instantly makes a difference, especially for the presenters, in this case teachers, or the learners, including students around the world. Essentially Kahoot! operates across some very large categories and we are currently only scratching the surface of these. For these, there are many impactful market drivers that are giving us long term tail bill in different ways.

Eilert Hanoa:

Fundamentally, there is a need for education for upskilling and rescaling. The world continues to move fast and for everyone it's more important than ever before, whether you're an employee, a student or in some other capacity to apply these essentially lifelong learning techniques and having the tools available. Digital adoption and application digital tools continues to increase almost only cemented further through the pandemic and in the world for talents, for companies and to provide the best possible value for their staff, company culture and employee engagements is on the rise. Particularly now as organizations content with their real realities of disparate workforce and spikes in staff turnover.

Eilert Hanoa:

And finally, the growing global creator economy continues to evolve, seeking new platforms and tools that can engage audiences at monetize contents. All in all, we see a very significant market across different segments and believe that we are well positioned in the intersection between large temps and that we really can take advantage of this in the coming quarters and years. In considering our growth levers going forward, I believe we have several ways to continue a significant and multiple market growth trajectory. Particularly important is to recognize that Kahoot!, unlike many others are not primarily dependent on external sources for growth like paid marketing.

Eilert Hanoa:

The most important growth lever in the Kahoot! story is the product itself, the Kahoot! service, which with its users experience and engagement created basis for monetization. Secondly, our world leading Kahoot! brand, which is globally known and respected across the audiences. And thirdly, our quite unique scalable platform with hundreds of millions of users situated inside an ecosystem or global partner brands and user and partner generated conflicts. And this platform is the basis for our profitable growth engine, which again constitutes a basis for investments in R&D and better product and user experience in the new growth initiatives that we're constantly launching.

Eilert Hanoa:

And of course, none of this would be possible without our great Kahoot! group. We have a passion team both here in Europe and the US, which has become even stronger through the acquisition we've done, which has given us more scale and capacity and experience to power ahead.

Kahoot! is a fundamentally versatile platform solution used in classrooms around the world. And with over 9 million teachers just the last 12 months and hundreds of millions of students, it's really showing the scale and the consistency in usage across all these different user groups on the platform. It's used in a variety of settings, everything from onboarding sessions in a Fortune 500 company or to a company event for a startup on the other side of the globe.

Eilert Hanoa:

In social and private settings, it's in education and in business it's used for all kinds of services, but the most important is create engagement, share knowledge, and really make sure the awareness of the audience is taken care of. The platform and the product is essentially the same and the DNA is the great engagement, applied from kindergarten and up to the Wall Street CEO office. The signature experience is what we really stay true to and will continue to base our products development from. The gamified learning design is effective for both audience engagement and learning purpose. Going forward, important priorities for the Kahoot! platform will be developed broader functionality for even richer engagement and learning experience and more use cases in the organizations.

Eilert Hanoa:

With the same easy to recognize user interface, self-service principle and usable in the hybrid world where users are both physically present and remote. And as you all know, a strong brand allows you to build relationships with your audience, which can eventually turn them into loyal customers. And of course, huge group of users in organizations. The Kahoot! brand is well recognized of a massive exposure to the 7 billion non-unique participants since we launched the service initially in 2013. And New York Times even called it the pop culture phenomenon, which really shows how this becomes not just *a* product but *the* product to create engagements. Our promise to always offer a free Kahoot! solutions for teacher, for students, and for individuals at home has been so important to both drive the momentum around Kahoot!, but also reach and scale, but also to build our strong reputation.

Eilert Hanoa:

And many brands are in some ways in contact with consumers or business audiences, but we believe that one of the most important attributes of the Kahoot! brands, however, is the meaningful exposure and interaction for each iteration that you have at Kahoot!, which unlike a quick banner ad, or similar both goes on for some time and it's centered around an active cognitive experience. It has a different stickiness to it, and it's much more emotional than a passive exposure. We're very proud of our brand here at Kahoot! and we believe it's a strong basis for further growth opportunities and strategy. Both to enter new an ancient market segments, as well as we having done from home and school to enterprise and from quiz to the learning platform to wider audience engagement services.

Eilert Hanoa:

Across the group, we are also lucky to have a number of strong brands, including Robs for Language Learning with millions of users, award winning Dragon Box Learning Math Assets and Apps, the optimal and ultimate enterprise engagement tools for employees and not the least the Clever learning platform, which has enormous reach and relevance and exposure in the US school market, which we'll hear more about later today.

In building the Kahoot! platform, it has been a priority for us to grow the ecosystem of users, partners, and content on the platform through steadily better functionality and offerings.

As of today, that means around 30 million users of active accounts, last 12 months that has been active, both on hosting, creating and consuming the platform with over 300 million sessions. There are more than a hundred million Kahoot!s available on the platform made by our users and partners, including teachers with all of them free available for all users. And the inherent value of the platform commercially lies in the many avenues we are now formalising of this ecosystem in the future. Essentially the current platform is energetic and viral in the sense that free users use the platform,

spread the word and others pick up the solution, perhaps in another department at work or in a different school or different class with a teacher showing the students to which again, shows at home and someone then starts to use it in another contexts.

Eilert Hanoa:

And this, of course, this energy between the users generating promoters, leading to paid upgrades and more functionality, great feedback to us that we can build new services and improve our offerings from. And of course broadening the use cases, which again, spirals on other users. And in the last year or so, we have dialed down more of the paid side of the equation and will continue to do so, but in balance with the value and synergies of the free users. We will invest in better solutions, which can apply the product, even broader inside companies in teaching context and for audience engagement.

Eilert Hanoa:

And of course, as we continue to offer free forever and provide new premium plans for all segments, this is really meaningful for us. We have good progress in integrating acquired technology for this purpose, both with it comes to the features, the experience, and of course, the products, as well as using the joint sales resources of the group to optimize inbound sales opportunities among professional users. And we will start the journey on using the same math platform and ecosystem to monetize the content in the creator economy, through launching the marketplace. The commercial potential of Kahoot! is large and multifaceted. What we play around with is a combination of more sales in each category to new subscribers and ability to have a higher price points and better premium plans where it makes sense. We can definitely continue to upgrade existing users with improved value propositions, better features, better plans, richer plans for all kind of use cases.

Eilert Hanoa:

There are different deals for our improved conversion. And the most important for us of course, is as always that the product itself is what really enables and also unlocks the user cases for all our users. And also as Ken will refer to in his presentation, we have some very healthy development on this, especially in the professional segment, which is our main focus going forward. And there are new modernization opportunities with partners, not only on the marketplace side, but also the opportunity we have where we are building software together with content on our platform and help us and them to create new value propositions and business models. So all in all, we see a considerable headroom for further growth in the categories that are core to the Kahoot! today and the leadership team and everyone in Kahoot! group will come back to join in and build this as you will see presented out today in each of the different business areas.

Eilert Hanoa:

Our business model is compounding to the sense that the value is the combination of the sales sustaining recurring revenue, which since 2019 has increased with over 119% with the great growth we had through acquisitions and organic growth. On the lower acquisition cost to take on new subscriptions of the gradually lower cogs and operating costs behind each additional increment of the top line growth. And the light footprint of capital investment needed not having to do substantial capEx, but making sure that we can provide enough resources to be consistent and solid investment in product and R&D to support this operating model as well. In totality, this gives us sustainable strong cash flow for operations, which is long term and we now have over 10 consecutive quarters behind us with this from

our operations, which also helps us build a foundation to have our cash conversion around 30% going forward.

And we will continue to maintain cost discipline of course, as every business will do it these days. And we will continue to focus on the growth of the top line and making sure that we can use the synergies from all the parts of the groups and continue to invest that into the business.

We are very excited about our long term plans and strategies and what we aspire to achieve as a company in the Kahoot! group. Recently, we announced our ambitions for 2025, three years out. We basically said we stay committed to the ambition as we believe that we can activate a number of different initiatives across our platform which can really help us to build more business, more solid business and more scalable business in the future.

Eilert Hanao:

In perspective of two to three years and more, we are confident that we will see strong growth and strong cash commercial from operations. Across our five business areas and three main revenue segments we have a strong mission and a good plan to succeed. There will always be some uncertainty around exact split of revenue several years in the future. But for us, the most important is that we have several ways and several elements and building blocks to reach our goals commercially and financially with a long term plan. We have a strong position in the largest markets. We have several different tracks in each of our main segments. We have a highly cash generating business, and we have the scalability that will continue to help us and hopefully shine even stronger in the coming quarters and years.

Eilert Hanao:

And importantly, we have a clear visibility to the growth path in all or different business areas. I would like to end the initial presentation here with reiterating our key priorities for this year. So in addition to the high level and the long term strategy, we also have outlined a very clear goal for 2022. Including our ambition to reach invoice revenue of \$190 million, and also our operational cash flow or free cash flow operations of approximately \$55 million. In addition to being committed to this, we also have some very clear priorities on what we want to build, because it's all about making sure that we are doing the right investments, the right priorities, not only for '22, but also for the years to come.

Eilert Hanao:

And that means that we will continue to work on both the commercial side of the business and balance that through the offerings on free to pay, continue to improve the products and innovate more value add with more focus on professional users, take more synergies for our acquisitions and amplify our enterprise offering as well as joint initiatives with Clever for the very important back to school season this year. And of course for '23 and scale up our marketplace launch also in conjunction with the back to school season and through the every quarter going forward with great new features, great partners and great commercial opportunities that we'll also hear more about day to today. So with that, I would like to conclude this introduction and overview and hand it over back to Amanda.

Amanda Taselaar:

Thank you so much Eilert for telling us about the market opportunity, the value that Kahoot! brings and the strategic growth levers. So I am now going to pass it off to our CFO, Ken. Over to you, Ken.

Ken Ostreng:

Thanks, Amanda. And good afternoon, everyone. My name is Ken Ostreng the CFO in Kahoot!, and I do want to thank you for joining us today to learn more about our business, our products and technology. And I'm very pleased to take you through our financial section today. I will focus on the continued scalable growth, expanding profitability and cash flow generation following the first phase of our commercial journey.

Kahoot! started its commercial journey in 2018, a bit more than three years ago. And by the end of 2018, we had north of 40,000 paid subscriptions. During the following three years, we have increased paid subscriptions to more than 1.1 million, both through strong organic growth and through acquisitions. Now we have more than half a million at work paid subscriptions and more than 400,000 at school and more than quarter of a million paid at home and study subscriptions. And the growth in paid subscriptions translates into the global invoiced revenue growth you've achieved since the commercial launch. We have paying clients in more than 150 countries and revenue growth in all regions.

Moving on to the transformation of the financial development since the commercial launch and the first phase of our commercial journey. On the previous slide, we talked about the invoice revenue growth and we have with the revenue growth had strong adjusted cash flow from operations driven by the recurring prepaid annual subscriptions and of course the scalable operating model.

Ken Ostreng:

As you can see the development follows, and as we are recognizing revenue from the annual prepaid subscriptions. And the beauty it, the Kahoot! business model is that we're billing our clients up front annually, meaning that we collect cash before we can recognize the revenue. The financial numbers include acquired companies from acquisition date. And for comparison, I just want to mention that the proforma invoiced revenue growth for 2021 for the entire group was 48%. Our business model is based on prepaid annual subscriptions, as I said, with some billing variations between the borders and that's driven by existing renewals and the buying pattern for back to school seasons and other business seasonality. We see continued quarter on quarter recognized revenue growth deriving out of the prepaid annual subscription model.

Ken Ostreng:

So there will be seasonality variations in terms of billings, but the underlying recognized revenue will continue to increase quarter on quarter. Following the commercial launch conversion of free users to paid subscribers is of course, a key driver in the commercial transformation. Kahoot! has over the past three years doubled the number of active accounts on the core Kahoot! platform within the professional user base, which is defined as users within the work and school category. Over the same period, the ratio of active accounts and paid subscriptions has doubled showcasing the willingness to pay it for the Kahoot! offerings.

So I want to talk through the key elements in our financial component model, enabling our growing cash generation. And our growing recurring revenue derives of the prepaid annual subscription model.

We have low customer acquisition cost driven by conversion of existing free users on the platform to paid subscribers and marginal cost for following premium upgrades. We have a scalable Kahoot! platform supporting all customer categories globally, and we are carrying the same infrastructure cost

for both free and paid users on the platform. So conversion from a free to a paid users doesn't trigger any incremental infrastructure costs. We have a capital light business model with minimal CapEx expenses required to support the operational model. R&D cost is expensed for continuously developing the platform and offerings and included in our operational cost space. And these are all enablers for our growing annual increasing cash generation.

Ken Ostreng:

So after I have described our financial compounding model. We have a proven, scalable operating model in Kahoot!. Gross margin improvement is driven by volume scale and marginal third party sales and distribution costs. Operating model leverage enables continued revenue, increased development measured by revenue per full-time employee equivalent and all underlying cost drivers are reduced in percentage of revenue. This is proven. And that is a natural set into what our proven scalable operating model looks like long term. We expect continued gross margin improvement. We have low customer acquisition costs due to the viral distribution for individuals and in organizations.

Ken Ostreng:

We see that employee benefit expenses, including the approx 50% of the team have in product and development and expenses continue to decrease in percentage of revenue. And this is all translating into an adjusted EBITA margin converging towards 40%.

Coming out of our continued growth, we have a \$500 million invoice revenue ambition in 2025. And that's deriving out of our Kahoot! subscriptions with a broad offering for the entire workforce educators and students at school and at home. It's about continued growth in paid subscriptions across all user categories with increased our driven by enhanced features and premium subscription plans.

Ken Ostreng:

We have Clever, we'll learn more about Clever later in today's presentations. It's about growing the network, adding more schools and districts, adding more apps and confidence and increased usage for current schools. It's about introducing new paid offerings for schools and school districts. And of course the opportunity within international expansion. And within marketplace, it's about making premium content available for purchase to all enabling creators in joining the global creator economy and building and scaling a leading marketplace for learning resources. On top of that, it's about expanding B2B opportunities, including partnerships across all business areas.

Ken Ostreng:

The continued growth to \$500 million in 2025 implies a 30% compounded growth rate from our 2022 outlook. And in addition, a marketplace revenue ambition of approximately \$100 million. some of that drivers that would be further covered in the coming presentations, but within work it's about enhanced product offerings, driving conversion to premium subscriptions. It's about enterprise-led account expansion, and of course a sound commercial pricing development.

But in school it's continued conversion of free users to paid subscribers and paid to premium benefit in K-12 and higher education. It's about large teacher bases driving upgrades to Kahoot! EDU and expansion opportunities with premium features and student licenses. In Clever as Trish will talk more about later on, it's about growing the current app usage and number of users, introducing add-on products to Clever districts, and of course go with the trusted application partners with global footprints into the international expansion route. For Home and Study, we will see continued conversion from

single app sales to subscriptions and from free users to paid subscribers, including further conversion to professional users. And it touched up on the marketplace sales with content subscriptions, partner licenses, and publishers.

Ken Ostreng:

So, our capital allocation framework, I'll spend some few seconds on that, but it's important. I need to center around some key principles. It's about a balance sheet optimization and liquidity securing a really solid financial position for all stakeholders in Kahoot!. It's about having a prudent approach to fund growth, focusing investments into talent and product innovation to secure competitiveness and continued long-term profitable growth. It's about minimal Capex required to support the operational model. And of course, a disciplined approach to M&A. It's important to highlight that the financial ambitions outlined, they do not depend on any material acquisitions in the period.

Ken Ostreng:

So, we have over the past few years acquired building blocks for our Kahoot! platform. By teaming up with reading, math, and language learning apps, Poio, Dragonbox, and Drops and adjacent to the Whiteboard tools for schools and the employee engagement solutions through Actimo and Motimate. And in addition, we have the transformational acquisition of Clever, which you'll learn more about in the presentation from Trish. Here, very happy that we joined forces with these great teams to make learning even more awesome together.

Let's have a brief reminder of the full year 2022 outlook, and we recreate the ambition to exceed \$190 million in invoice revenue for 2022 with recognized revenue exceeding 155 million dollars and adjusted cash flow from operations of approx 35% of recognized revenue. We remain committed to these full year targets. And we do this based on normal seasonality between the quarters that we've seen the last year. Now also including Clever of course, with the main driver being the back to school season for Kahoot! And for Clever in the second half of the year.

Ken Ostreng:

And circling back to our long-term ambition. And again, it's to exceed 500 million dollars in invoice revenue in 2025 with an operational cost base of the career expected to converge to approx 60% of invoice revenue, which indicates approx 40% cash conversion of invoice revenue in 2025. And again, their financial ambitions outlined, they do not depend on any material acquisitions in the period.

So let me wrap up this with a quick summary of what you've heard. It's about scalable continued growth with a 30% CAGR plus a market place ambition, or a 40% CAGR through 2025, including the 100 million dollar Marketplace ambition. It's about expanding the profitability with an addressed EBITDA margin converging to 40% and annual annually growing adjusted cash flow from operations, which will exceed adjusted EBITDA due to the nature of our business model, where we have annual prepaid subscriptions where we're collecting cash faster than we can recognize revenue. And this happens together with a very limited Capex required to support the operating model. And by that I'll hand over back to Amanda.

Amanda Taselaar:

Thank you Ken for giving us an update on the Kahoot! group financials and financial targets, as well as the scalability of the platform. Now I will pass it on to our Chief Technology Officer Jostein, who will talk about the Kahoot! platform. Over to you Jostein.

Jostein Håvaldsrud:

Thank you, Amanda. Hi. Yes. I'm responsible for the tech and engineering in the Kahoot! group and this includes them, the people processes needed to deliver all these fantastic products you just heard about. And Kahoot! has actually made a rich portfolio products during the last years, starting off here with the math learning from Dragonbox. Then is about reading learning by Poio. Its about language learning from Drops. It's about digital whiteboarding and not at least communication student to teacher by Whiteboard. It's about employee communication and engagement app by Actimo. It's about corporate learning by Motimate. It's about school rostering, ed tech app enabling and single sign on et cetera, from Clever. And of course, not at least the Kahoot! product itself. And all these products have a common purpose of driving, learning and engagement of people. And to continuously make these products better, serving our customers' needs even better, and expanding those needs covered, we have approximately 250 people in the group working in engineering and different product functions. And the next few minutes I will share how we work and how we do the work to maximize the opportunity of this product portfolio. First of all, I want to share some about the tech principles to achieve high quality and productivity of the engineering group. And then into the innovations that we have done to support our mission and vision, including what we have done and currently what we are working on. And then I would like to dive into how these innovations are resulting in growth of the company, just like you heard from Ken. That we believe that and we have high ambitions to grow and we believe they could fulfill those ambitions by organic growth. And that's what we're going to dive into to share with you what we've doing there. And at the end, how we are then scaling technically to make sure this works very well.

So these principles. To release the value of having a portfolio of products like we have, we have to establish some set of principles to make sure we deliver high quality of the products, make sure we are really focusing on serving our customers' needs, and also enabled commercialization where we want to. So, and all the products of Kahoot! have in common, a fantastic user experience. They're all leading in delivering and user interface with minimum need assistance and supporting our values when it comes to playfulness, curiosity, and inclusion. And as a product led company, we are focusing heavily on these, on the product innovations and there I have to share with you that the purpose of the innovations are to serve the needs of our customers in a way that leads to growth and usage, plus word of mouth, as self-service upgrades to more valuable products and higher prices, and opportunity of doing top down sales.

Jostein Håvaldsrud:

Then the decisions about how we do these innovations and how improved user experience all the time, that's driven by data analytics, where we currently are monitoring more than 900 sensors in our products when it comes to usage and behavior. And this data that we're collecting is being democratized internally through a self-service platform used by a lot of our employees in their daily work to make the right decisions. And then we utilizing all the different strengths of the products in the portfolio, by for example, embedding successful parts of other products into what we are delivering named Kahoot! Courses. And we are also enabling new commercial models on the existing functionality.

Jostein Håvaldsrud:

Last ones, when it comes to scalability and quality, those things are achieved by extreme automation of the operations combined with the hyperscalers where we're running our software, and these then really resulting in, for example, that the main Kahoot! service is being managed by a comparable, extremely small DevOps team, making the service available 24 hours every day, all year around. And most of our products they're released and updated on a daily basis to make sure we have a very short feedback loop, to make sure we follow up on the feedback from customers and new insights extremely quickly. So when we see something that is not working that well, when it comes to performance or something like that, we can fix that before it actually hits a lot of customers. Now I'm thrilled to dive into the innovations that we actually have done and what we currently working on and how that's been fueled by M&A in the last years and also how it's resulting in growth.

Jostein Håvaldsrud:

So as already I had mentioned, we've been on a journey to expand the value proposition for customers. We've gradually since 2018, when we had this fantastic engaging quiz. And then we turned it into more game-based learning. And then we continued with interactive presentations. And then we turned it into a platform for learning applications. And now it's about corporate learning, employee engagement, and creator economy. And this picture here does not cover all the products we have and all the capabilities of features, but the two biggest ones in terms of revenue. So, and the text that's coming up right here now, we can see the blue ones. That's about what we have acquired of capabilities and the black ones, the black text and the logos, that's what we've been building organically, internally as part of the Kahoot! group. And here you can see that Kahoot! has ramped up the capacity within product development to make the platform hopeful, supporting engagement, learning communication for our customers.

Jostein Håvaldsrud:

And it has then resulted gradually believing more and more functionality every year. For example, so far this year at 2022, we're more or less released as much as we did last year. And I wish I could dive into all the details here. I'm sorry for having a small font, but it's so much cool happening. So I just have to highlight a few stories. And first I want to talk about Kahoot! Courses. To make Kahoot! Courses, a strong tool for our educators, we are and will be bringing product elements and patterns and competency from Dragonbox, Poio, Whiteboard, Drops, Motimate, and Actimo to the Kahoot! platform. And Marketplace and Academy will be presented later on today by Agnete. But I want to spend some time on talking about the product evolution, because it's really representative for how we are working when it comes to continuous improvements.

Jostein Håvaldsrud:

Marketplace, that's actually started with Kahoot! Discovery back in the days. Then approximately two years ago, we launched Kahoot! Academy. Then approximately a year ago, we launched the first pieces of being Kahoot! Courses today. Then five months back, we released access pass where you can actually buy some of the courses on Kahoot! And then it's Marketplace this summer. And then a combination of Kahoot! Courses and Marketplace has been one of the most important investments the last years. Later on today, Trish will present Clever, but I also would like to highlight a few product elements related to Clever because Clever really ramped up how to build new products on top of the core Clever. And that is to deliver more value to schools and districts. And again, that opens up new revenue channel. And for the first time Clever actually selling to schools and districts directly.

Jostein Håvaldsrud:

Another cool story that's about Kahoot! Kids, which is tailored for younger learners. So any of you having kids about age of four or five, being able to read or want to read, then you should start and give them Kahoot! Kids and you are not alone then, or the kids are not alone because during the last few months we've grown from zero people back in the fall to 460 K now in May using COVID kids. And this is about sessions using it.

Jostein Håvaldsrud:

And another cool story that's about our localization. Eilert mentioned earlier today a lot of languages and translations of the code product and our services. And we do this because we really want to make sure that people who's not called fluently in English or perfect in or commanding the language, that they also should have access to the product and also the content. So there's a lot of content and products available in a lot of languages. And since 2020, we have now launched 14 additional languages, now available in 15 languages across all the different continents. And for example, in Germany, we experienced a significant increase in usage or simply significantly above average I would say, when it comes to Kahoot! We had the usage grew by 109% in the six months after localization compared to period before.

Jostein Håvaldsrud:

But now I talk about a lot of new things around the Kahoot! core service. It's also important for us to make sure that we're improving the Kahoot! core service. And one functionality there has recently been released is about how to brand and theme the Kahoot!. So as a company, you can now put on your logo, you can make sure the background colors or et cetera, just like your company and your profile. And in the last 60 days, about 12% of all new Kahoot! created are using this capability. That's a really quick ramp up on usage of new functionality. And with all these new changes, it could be harder to keep quality, but at the same time we've done all of these things. We have year to date achieved 99 point 99% availability of the Kahoot! platform. And actually a lot of the smaller detailed services of the product has been available 100% during that timeframe.

Jostein Håvaldsrud:

So now shared some about what we've been working on and also what we are working on. But I also think it's important to understand that when we make these new capabilities available on the platform, it doesn't mean that the commercial success immediately, and it depends on the feature, the segment and other factors, how to get to the decide market fits. On the next slide, I'll show a little bit about how this process works out. So for example, Kahoot! branding. I think that's a great example. As I mentioned, we just released it in an early access phase and that was after we'd already been using it internally for some period. And for this feature it's free now in the old access phase. And then later on as an upgrade to bigger package or as a paid addition in the commercialization phase.

Jostein Håvaldsrud:

And as you see, that is starting a little bit ahead of us. And the same goes then for Kahoot! Courses. That's a bigger set of functionality, still in an early access phase, this back to school, new products, new opportunities for, for buying it and making part of our commercial planning. And another element I didn't dive into on the previous slide, that's about how we are bringing Motimate and Actimo on the Kahoot! platform. And we are taking the best components of those products to deliver corporate learning on the current platform combined with also employee engagement. And we do this to enable these capabilities in a viral sales process and to scale it beyond the current commercial and models and

deliver models of Actimo and Motimate. And of course, we also want to combine the strengths of the live Kahoot! with these more self-based capabilities of Actimo and Motimate.

Jostein Håvaldsrud:

Further on the similar elements when it comes to maturity for all the functionalities. But later on today, you will hear about Clever and Academy, so I don't want to dive into those here now. But as you can see, based on these platform principles and technical planning that we've done, we gradually bringing our products together. And the next slide is a holistic overview of our technical platform strategy to achieve one platform with shared commercial opportunities. So. We believe in this one integrated tech platform, serving all user groups to deliver on our vision and to commercialize the relevant elements of the platform. There will be some segment specific needs and code and so on when it comes to schools, for example, when it comes to the rostering, the app distribution, and for the larger businesses, it comes to customizations, it comes to integrations and user management, but still we believe in one platform. And the core product team do bring code, patterns, capacity, knowledge, et cetera, to enable these different capabilities on our shared platform.

Jostein Håvaldsrud:

This platform is based on managed standard cloud services like AWS, Google Cloud, Azure, et cetera. NH utilizes edge technology for scaling availability, uses smart algorithms to deliver engaging functionality, and state of art tools of technologies to enable engineers to focus on what they're best on. That's about increasing their customer value and doing innovations. So to sum it up, I would like to highlight some of the figures of each of the different elements I've just covered with you. And that's first about the principles. We have a large group of people who are working all the time to make new innovations for our customers. And the important part of this is that we have approximately 30 plus game designers, product designers, interaction designers, graphical designers, et cetera, making sure that we are really delivering on making a fantastic user experience. Then you've already seen that we have a lot of innovations in the making who's not fully out any market yet, or at least not fully call it commercial utilization. And we are able to upgrade customers to paid subscriptions. And we have a huge increase in usage and subscriptions during the last year, as Ken showed you. At the same time, we've been able to reduce the cost on our core platform per paid account with 46%, since between 2019 and 2021. And at that, and still 95% of our users are on the biggest product are not paying and all these things we did while delivering a very high availability. So what I talk about now, that's across all the different segments and all the target audiences so at work, at school, Clever, at home and Academy and next sessions, that will be about more details of each of them. So Amanda, here we are.

Amanda Taselaar:

Thank you Jostein for walking us through the Kahoot! platform, its possibilities for scaling, and the roadmap moving forward. It's all very exciting. Now we will have a two minute break before we move on with our presentation for Kahoot! at work.

Hello again. Thank you to those of you who have shared your questions with us. We will have a Q&A session at the end of the presentations, so please feel free to continue to share your questions in the ask a question tab on the right hand side of your screen. Also, the slides and the recording of this presentation will be shared with you. Now, let's hear from James, our VP of Kahoot! at work. Passing it off to you James.

James Micklethwait:

Thank you very much, Amanda. And hello everyone. My name's James Micklethwait and I'm VP of Kahoot! at work. Very excited to be here with you all today, to share with you some more details about Kahoot! at work. And before we jump in, I just wanted to reiterate a couple of significant milestones that we've passed recently in the Kahoot! at work team that have been mentioned previously. So first of all, from an engagement point of view, Kahoot! at work passed 50 million participants. That means 50 million people have pinned into a session hosted by a Kahoot! at work account in the last 12 months. Fantastic engagement and significant growth up 50% compared to the previous year. Then on the commercial side, Ken mentioned we've passed over half a million paid subscriptions for Kahoot! at work. So it's exciting times for Kahoot! at work. Let's jump in.

I'd like to cover four things in my presentation today.

Firstly, I want to just talk you through the broad Kahoot! at work offering, which Jostein started to touch on in the previous presentation. Next I wanted to pick up on a theme that Eilert raised about the importance of product innovation and it's really bring to life in the work segment how exactly that's unlocking higher value use cases in the work segment. Next I want to cover the proven go to market model. So go to work, which we think is quite unusual and is working very effectively. And then finally I'll wrap up by just touching on the major themes and significant priorities in the coming years.

James Micklethwait:

So first of all, Kahoot! at work in a slide, a very quick overview. 97% of the Fortune 500 are Kahoot!'ing. That means they're using Kahoot! on a paid basis in some capacity, which is a fantastic starting point. They're using it in lots of different ways. As you can see from the use cases here. I'm not going to talk about them now because I'm going to dive into them later. And crucially, as Jostein mentioned, the enterprise offering for Kahoot! at work has been significantly extended in the last 18 months or so. There are now three products within the enterprise offering, Motimate a corporate learning offering that makes learning fun and easy, Actimo, an engagement app for non desk workers, and of course what we call Kahoot! 360, which is the core Kahoot! product offering for the work segment.

James Micklethwait:

Next slide please. Before we dive in, I'd just like to talk a little bit about the trends that we are seeing out there in the workplace. In some, there are a number of important trends, but all of them are pointing towards the same thing. We're seeing increasing demand for training and communication technologies. I'll touch on four themes that we see as being particularly relevant to our business right now. The first of all is hybrid. I think we're all aware of this now, we're all living and breathing it right now. And 75% of businesses are not only doing it, but they're saying this is going to be the new normal for them going forwards out of the pandemic. So hybrid's here to stay, but it's not proving to be super easy. This fantastic quote, I think, from a survey conducted by Google and the Economist summarizes it very well.

James Micklethwait:

"The individual wellbeing that hybrid has brought about in the terms of flexibility of where, and when we work is coming at the cost of organizational connection." And we think that's a very significant trend that I'll pick up on later. Secondly, we're seeing increased focus on the needs of non desk workers. As you're probably aware the vast majority, in fact, 80% of the world's workforce are non-desk workers rather than desk-based workers. Perhaps you don't know, and I think this is an astonishing statistic, that 83% of those non-desk workers don't actually have access to email. Why is this relevant? Well, when the

pandemic came along and there was a very urgent need to communicate and affect change and drive efficiency with those non-desk workers, it really shone a light on the chronic lack of technology solutions for those types of workers. And so this is going to be a trend going forwards.

James Micklethwait:

The other two trends both relate to learning. First of all, the growing importance of lifelong work learning at work. Eilert touched on this upfront, but this again is becoming more important than ever. The pace of change requires more and more reskilling. So what we are seeing is both top down inside organizations, L&D teams are telling us that reskilling is one of their top priorities this year and going forwards. But perhaps more interestingly, there's a real demand coming bottom up from employees. A recent survey found that the opportunities to learn and grow is the number one driver of a great work culture, according to employees. So there's a great demand there coming directly from employees for learning in the workplace.

James Micklethwait:

The final point in relation to blended learning is all about how training is actually delivered. Of course, there was a massive change in the delivery of training during the pandemic. The predominant means of delivery of training used to be live, in person instructor-led training in a classroom. And of course this became impossible during the pandemic. So what happened was a very rapid shift and a huge increase in the amount of training that was delivered either virtually over zoom, such as we are doing now or asynchronously in an experience which is determined at a time and at a pace of the actual learner.

James Micklethwait:

The significance of that this fact is that training has now become a much more multifaceted way of delivery. It's been delivered in many more different ways. And the importance of technology in virtual training is massively increased. Simply delivering PowerPoint slides and in the way that you work to a classroom might work reasonably effectively in person, but it simply does not work over zoom. And so we've seen massive increase in demand for technologies that increase engagement and learning outcomes in that virtual live setting. So all of these trends have been accelerated, they were in place in fact, before the pandemic occurred, but they've been accelerated because of the pandemic. The pandemic has opened eyes, it's opened budgets, but what we are hearing and what we believe is there's no going back.

James Micklethwait:

So moving on to talk about our offering in a little bit more detail, Kahoot! at work overall, we make work awesome. And we do that in three ways with the three products that I mentioned earlier. First of all, Engage. This is predominantly the live core Kahoot! 360 product, which is all about engaging groups of any size, but it's incredibly hybrid friendly. And that is very important in today's workplace. That emotional connection that I mentioned, what other technical tools in the marketplace can bring teams together whilst also sharing information and driving learning outcomes? Kahoot! can, and the product itself is intrinsically hybrid. We recently asked our existing customers, when you host a live Kahoot! session, where is your audience? And the results that came back really illustrate the complexity of the world we live in now. Round about half of them are still delivering sessions purely remote with all attendees being remote, but about 30% of them are delivering sessions to a combination of people in one room at the same time and remote attendees, a true hybrid experience, and just a minority are therefore, all in the same room at the same time, a massive change from the way it was before, but it

shows how versatile the Kahoot! product is and how well it has adapted to the changing situations that our customers face.

Next, training. Training is crucial and, of course, our offering has been really extended with the acquisition of Motimate and in the respect that as well as an engaging live experience as part of a training experience, we also have Motimate that empowers employees to be more self-directed in their learning and to engage with training at their own time and their own convenience. So it's a significantly broader and more powerful training offer than ever before.

James Micklethwait:

And finally, connect. This is all about non-desk workers that I mentioned before. With the advent of Actimo in the Kahoot! family, we are now able to offer an employee app to our customers that allows direct connection between HR teams and frontline, non-desk workers on the ground so that they can communicate, but also support those people and improve their performance in their daily jobs. Next slide, please.

James Micklethwait:

In terms of the market opportunity, we see a very large market opportunity of over \$10 billion addressable market with very clear growth drivers. These numbers for clarity are based on assumptions for the United States and Europe and exclude all of the rest of the world. But when we think about the addressable market, we think of three basic segments that map to the products and offerings that I just talked through: an audience engagement segment, which is predominantly live for engaging audiences of any size. That's primarily related to desk workers, but not exclusively, as you'll hear later when I bring this to life with some customer stories.

James Micklethwait:

Then the communications side. Of course, there's a massive communication market out there, but we used to see the desk based communication sector as being very well served by a number of other players. The opportunity that we see is for non-desk workers for the reasons that I described earlier. And then there's corporate learning, all forms of learning delivery as I described earlier, which we believe is equally applicable to both desk and non-desk workers. And you can see from the growth drivers, all of the trends that I mentioned are really adding fuel and driving growth to each of these segments.

James Micklethwait:

So for the second part of this presentation, I want to talk about product innovation building on what Jostein said in his presentation, but actually giving you some concrete examples in the work segment how customers are getting more value out of our product by using more advanced features that we've released. All of the logos that you're about to see on the following slides, they are major accounts that are using Kahoot! for scale, specifically more than \$20,000 of revenue a year coming from each of these customers, and this is really about a journey from Kahoot! of being a quiz to what it is today, which is much more than a quiz.

James Micklethwait:

So on one aspect, one type of use case, we start at the bottom where often, teams use Kahoot! as an internal engagement tool to bring a small team together. But since over the last couple of years, we've released a lot of new features that allow you to import slides from PowerPoint, for example, but also add polls, work clouds, and brainstorming for it to become a much more effective tool to bring to life a range of presentation meetings and workshop use cases.

James Micklethwait:

And then it goes further than that, and we see our customers starting to use a Kahoot! to engage externally with their partners and with their customers. And I'd like to just highlight one particular example of this of Amazon.

James Micklethwait:

On this slide, you can see with Amazon. The use case specifically is that Amazon uses Kahoot! to run a series of workshops systematically to train its premier consulting partners and so they can deliver better services to their customers on Amazon products. And this mock up here illustrates the power of the theming feature that Jostein mentioned earlier. AWS are now able to completely brand the look and feel of Kahoot!s and therefore, in partner-facing engagements, this is an Amazon experience with the Kahoot! brand being much more recessive, but we feel this unlocks a huge potential in a number of segments, clearly in professional services being one of those.

James Micklethwait:

Next, if we turn our focus to training, a very important use case, what we've seen is Kahoot! evolving from a quiz, which is basically a training module, to a much more complete training experience through product innovation, both organic and acquired. So historically, Kahoot! has been a quiz, somewhat standalone, which is a great way within a, say, one or two day training seminar to energize a room of people having been run through a series of presentations, potentially some discussions, and our customers just use the quiz to energize and reinforce information that's been covered previously.

James Micklethwait:

But over the years, what we've done is add the ability to identify participants, added advanced analytics capabilities, and also change the means of delivery so that Kahoot! can be delivered in a self-paced way and also with Motimate that I mentioned first with even more advanced self-based functionality and, as Jostein mentioned as well, most recently, we've been developing our courses proposition, which I'll touch on briefly in a minute.

James Micklethwait:

What this unlocks is two high value use cases around mandatory training and compliance with some great logos here that you can see and also, around product sales and customer support training as well, which is probably our primary use case to Kahoot! overall. It's great for engaging customer-facing teams and equipping them with product knowledge that helps them do their jobs more successfully.

James Micklethwait:

But the showcase I'd like to focus on for today is LinkedIn in the mandatory training area. LinkedIn is a great story of customer evolution and expansion. Like most of our customers, the relationship started small, but it's expanded. And recently, it's more than doubled in size to become an enterprise agreement. What this means is that now IT administered the account centrally from San Francisco and

distribute the licenses to a range, a number of business units where it's used for a range of training use cases, including compliance and policy training. The level of engagement that LinkedIn are generating with the Kahoot! platform is quite impressive. We see usage over 28 countries, and we've seen over 100,000 non-unique participants. When you put that in the context of an organization with around about 20,000 employees, you can see the scale of engagement inside LinkedIn coming from the Kahoot! platform right now.

James Micklethwait:

And whilst we're very proud of that number and LinkedIn are as well, to put this in context, our biggest customer is generating about five times that level of engagement.

And the innovation never stops, of course. That's the exciting thing about working here at Kahoot!. Jostein's already talked about Courses, but courses are centrally important in our strategy and product strategy for training. What we are doing in the area of Courses is taking the real simplicity of the Kahoot! experience and creating a much more comprehensive learning experience that includes, but is not limited to, Kahoot!. It can be experienced live. It can be experienced in a self-paced way or a combination of the two. But what it really does is turn Kahoot! from being a quiz that is part of a training experience into a platform that can deliver entire training experiences.

James Micklethwait:

Finally, in terms of use cases, if we turn to company culture and communication which, as you may be aware, is a big part of the code value proposition. This sort of use case often begins, again, in quite a light way, perhaps a single quiz at an internal team event with a goal of bringing people together. But we've added a range of new features over the years. One recent example is the addition of a Team mode, which allows participants to group together in teams and compete against their colleagues in other teams. What better way of building individual team spirit, but also as part of a wider company occasion, than Team mode? That's combined with some of the other features that I've mentioned before in the other use cases unlocks, again, higher value use cases like onboarding, for example, where the goal of onboarding is not only to deliver information to new joiners, but it's also to generate connections, particularly if they're remote, and bring people together.

James Micklethwait:

And then there are broader internal communication use cases around company culture, which is all about systematically communicating with employees and connecting employees with the overall direction and strategy of the company. There are too many great examples to talk about here, including rapid growth in Intuit and Google Culture team using Kahoot!. But the use case I'd like to focus on is Tivoli.

James Micklethwait:

Tivoli, for those of you who are not aware, is Denmark's largest tourist attraction. It's a theme park right in the center of Copenhagen, and Tivoli have been a customer of Kahoot! and Actimo, specifically, for a number of years. The theme park has a very particular challenge. They have 1,700 seasonal workers who, each year, need to be onboarded to the organization and also trained to deliver real service excellence to Tivoli's customers.

James Micklethwait:

Tivoli engaged Actimo to provide a very customized app, a screenshot of which you can see on the right here, to do exactly that. This is what we mean when we say an employee app for frontline workers. These employees do not have an email address, and so this is the only means by which Tivoli can centrally communicate and improve the performance of their employees on the ground in the theme park.

James Micklethwait:

But what's particularly interesting about this case as well, is that the engagement with Kahoot! group doesn't stop there. Tivoli also use Kahoot! 360, the core product to engage guests in the park when they're waiting for the show to start on a weekly basis. So there are these large live Kahoot! events alongside this internal employee-facing communication at the same time. So I think taking together what you can see is that we have a non-desk worker proposition that is much, much more powerful than it was 18 months ago. And as further evidence for that and the increasing demand we're seeing for these non-desk solutions, I'm able to share that one of our newest customers this year signed with an average contract value of over \$200,000 per year.

James Micklethwait:

So there on one slide are all of the major custom showcase segments that I've talked about. Again, to reiterate, the takeaway from this section is Kahoot!... these customers all realized that Kahoot! is much more than a quiz. They're using it systematically and at scale inside their organizations, and it's all unlocked by the product innovation, which is customer-driven and customer-led.

James Micklethwait:

Next slide, please.

James Micklethwait:

Next, our go-to-market strategy combines both product-led and sales-led motions. What do I mean by that, exactly? Let me just describe how the product works right now and how the customer evolution typically evolves. So on the left-hand side, we have what we call individual usage. So we acquire customers, and that's where it starts with the 50 million participants that I talked about in the work segment, but also, it's bigger than that. Sean will talk to you later about the home segment. We see a lot of usage and conversion coming from the home segment, as well as from participants in the work segments as well.

James Micklethwait:

So participants, they see something of value, they sign up to Kahoot!, and then our job is to inspire and convert those users to become presenters. They'll be light and possibly free presenters, first of all, but then we convert them to frequent individual, paying users. We do that through our product, and we do it through the website as well.

James Micklethwait:

Next, when that goes well, we have some evangelists. They're getting a lot of value out of our product, and so what we end up is with inbound leads coming to our sales team saying, "We'd like to talk to you about expanding our usage inside our team and using Google on a much more systematic basis." This is where the sales team really kicks in and has an opportunity to talk the customer through the advanced features and new capabilities of the platform. And it's that that results in significant growth and team usage and ultimately, the team plans can then evolve into much larger enterprise agreements like I described with LinkedIn later as well.

James Micklethwait:

It's also worth noting at this point that we get inbound leads directly into enterprise deals as well, and we also do some outbound leads as well in the enterprise segment as well. So it's a mixture, and that's why it is what we describe both product-led, but also sales-led. But taken together, we are finding it to be a very, very powerful combination.

James Micklethwait:

Is it working? Well, I wanted to share some stats with you today that I think are showing... we're seeing some very good results from this approach, specifically around revenue expansion, but it's actually at all aspects of the funnel. So these charts here are all indexed to 2020 levels and they show not only growth, but actually, in many areas, acceleration in the last 12 months of progress in each of these segments. So the participants I've talked about already is growing very strongly, both since 2020, but since 2021, but that's what drives much of the engine.

James Micklethwait:

But then when we move to the team segment and we look at the number of deals closed by the sales team, smaller deals about \$5,000 a year, you can also see very rapid growth, not just 2020 to 2021, but also in the last 12 months as well. And then perhaps most interestingly, when we look at enterprise usage, the larger deals of over \$5,000 a year, we see a real acceleration, and this is coming about because of the new skills and expertise in the acquired companies all working together towards the same goal and causing real acceleration in revenue expansion.

James Micklethwait:

In addition, an important figure that we shared in our Q1 results around net dollar retention. For our very largest accounts, we're seeing 125% net dollar retention in the enterprise segment.

James Micklethwait:

So finally, looking ahead to opportunities, there are three major areas of opportunity for Kahoot! to work as we see them. We will make work awesome, and we'll do this in three ways. First of all, we will continue to accelerate the multiple use case adoptions by teams. Hopefully, I've given you a flavor today of just how varied the usage of Kahoot! can be and is by many customers, but we want to push this much harder. There are teams inside organizations who are currently using Kahoot!, perhaps just for one or two use cases, and there are many more ways that they can get value, specifically, internally to build team spirit, internally to share knowledge through presentations and meetings, but also, in a more customer-facing way. Marketing teams can use Kahoot! in webinars, for example, to gather leads and capture prospects and engage prospects. Sales teams can also use Kahoot! not only internally, but when facing customers in pitches, for example. So there's a big upside as we see it in driving multiple use case usage in teams and in larger organizations.

James Micklethwait:

Secondly, we're going to scale usage in the non-desk opportunity. Again, hopefully I've brought this to life in the presentation today, but we see a huge opportunity here. We have a much richer offering. It's very hard with a live experience like the core Kahoot! product is to bring non-desk workers who often work in shifts together in the same place or even remotely at the same time. But now, with the Actimo app, employee app and where we're going with Kahoot! 360 spirit in examples like the Tivoli that I gave before, you can see how we have a much stronger proposition for higher frequency of use amongst non-desk workers. And as I mentioned right up front, we're effectively doubling the addressable market by tackling the non-desk worker segment.

James Micklethwait:

Finally, but importantly, operational excellence in account management and customer success. You can see we're seeing from the numbers I shared, we're seeing the fruits of that in the enterprise segment in particular over the last 12 months and 24 months. There's a lot more to do there, again, from bringing together expertise from Actimo, Motimate, and Kahoot! all operating as one team, combining both inbound and outbound lead capabilities, driving more success and acceleration through playbooks and other such initiatives. That's a crucial growth lever for us as well.

James Micklethwait:

So in summary, key takeaways for today. First, there's a very broad offering for which is now targeting the entire workforce, desk and non-desk, that we've covered today. Secondly, you can see how product innovation is really unlocking new ways of using the product and very systematic ways amongst our larger customers. Thirdly, we have a proven go-to-market model combining product-led and sales-led motions. That's delivering really significant revenue expansion across all customer segments. And finally, three big opportunities looking ahead: multi-use case usage, expanding that, secondly, non-desk workers, and thirdly, operational excellence.

James Micklethwait:

Many thanks. I'm going to hand now back to Amanda.

Amanda Taselaar:

Thank you, James, for going through the business area, Kahoot! at Work, and the ways in which it's being used at the organizational level and for all types of customers and all of the incredible opportunities ahead.

Amanda Taselaar:

I am now going to pass it off to Sean D'Arcy, our VP of Kahoot! at School and Home, who will now talk about Kahoot! at School. Over to you, Sean.

Sean D'Arcy:

Thank you, Amanda, and hello everyone and thanks again for joining us today. As Amanda pointed out, my name is Sean, and I have the very big pleasure to tell you a bit more about Kahoot! at School and, of course, a little bit later today, Kahoot! at Home.

Sean D'Arcy:

So let's kick things off with At School. So here at a Kahoot!, we have a portfolio of award-winning apps and services that all make learning fun, engaging, and really impactful at school. And these apps and services are loved and trusted by millions of teachers, school admins, and hundreds of millions of students out there. And to kick things off, I really wanted to share, to show you guys, how one educator really demonstrates his passion for Kahoot! with his students and his fellow educators. So let's have a look at that video.

VIDEO SEGMENT

TV Presenter

A local teacher is using a trivia game to unite his classroom with students from around the world.

Speaker 2:

Lindsay Stone joins us in studio with more on the trivia game tournament a Washington Township teacher created and how it's uniting students from around the world. Lindsay?

Lindsay Stone:

Good morning. Well, Kahoot! is a pop culture trivia game where you answer trivia questions on all kinds of topics and you can compete with your friends and family, classroom, or even people around the world. Now, that game gave an Allisonville Elementary School teacher an idea.

Lindsay Stone:

Steven Auslander launched the Kahoot! Cup five years ago, and it connects students from all around the world with a little friendly competition. So it began with just 10 classes from 10 countries, but this year, more than 3,200 student players participated and teachers from 52 countries registered for the event.

Steven Auslander:

The pop culture unifies us. Here is a class across the ocean in another continent, and they're united by pop culture. We're more alike than we're different, and that was kind of the aha moment which made me want to do the Kahoot! Cup, a trivia game to show kids all over the world that we're more alike than we're different.

Lindsay Stone:

In the past five years, Canada has won once and Ireland and the US have won twice. This year, a high school student from Los Angeles scored the highest and won the Kahoot! Cup for the US.

Lindsay Stone:

Now, Steven says it's a lesson that really focuses on how much kids around the world are alike, despite different cultures and customs. So important at that age.

Lindsay Stone:

Now, I put my own knowledge to the test, played my own game of Kahoot!. Yeah, I scored a 68%, so I'm not very great, but honestly, it was so much fun. I think we did songs from the 2000s, so definitely not my cup of tea, but you can create a free account to play hundreds of different trivia games and hopefully, you'll do a little bit better than I did.

Sean D'Arcy:

Isn't that great? As you can see, passionate educators like Steve are an important reason why Kahoot! has become not only a leader, but really a movement in engaging digital education.

Sean D'Arcy:

Now, Kahoot! at School really strives to make learning awesome for three main customer groups. The first, of course, are the 9 million plus teachers who want to have awesome review, instruction, and formative assessment. The second group are the tens of thousands of school admins that not only they want engagement, assessment for individual classrooms, but they want to scale that up across other institutions with our Kahoot! EDU solution. And the third group are the hundreds of millions of students that want to have even more variety and tools to both create and to study.

Sean D'Arcy:

And with Kahoot!, of course, is Clever, and I'm very, very proud to share that Kahoot! and Clever are having top spots in the LearnPlatform's Top 40 EdTech products, moving up several spots from last year. And this result, I think, is really a testament to our reach, relevance, and frankly, our resilience on the backside of the pandemic and also, though, of course, the potential we have together looking ahead.

Sean D'Arcy:

So let's dig a little bit deeper into the opportunity for Kahoot! at School. So first, we'll have a look at the offering for educators and students. Then we'll zoom really into Kahoot! EDU and bringing that Kahoot! experience to more classrooms. We really want to showcase what is really, I think, a proven go-to-market strategy at this point and then take a sneak peek at not only what's coming up for back to school, but what's coming up in the next couple of years.

Sean D'Arcy:

So the K12 market in combination, of course, with higher ed represents a very large opportunity for Kahoot! And I think one that we are uniquely positioned in. We have a large total addressable market of five plus billion globally, and we are very well positioned as we have approximately 25% of all the teachers in OECD countries, and 60% in the US had active Kahoot! accounts in the first quarter of 2022. So it's a great... we are in a great position to actually reach some of that or acquire some of that talent.

Sean D'Arcy:

And really, the opportunity is to, of course, expand our presence in K12 and really sort of build a much, much deeper push into higher ed where we're seeing excellent growth right now. And more than that, we, of course, we want to leverage our synergies and expand our position with Clever and Marketplace.

Sean D'Arcy:

So let's have a quicker look at the Kahoot! at School offering. So as I mentioned, we have 9 million or so Freemium teachers using Kahoot! for doing engaging review and assessment, and they're really essential for creating that sort of virality around the product like you heard from Steve earlier, really showcasing, ensuring the passion, which really helps inspire more educators out there to try it out.

Sean D'Arcy:

So many of those actually educators go on to want... they want to expand their teaching toolkit with even more features, which we offer, so they do an upgrade to Premium or, for example, Premium Plus. And some of those teachers actually even get together and lobby their IT admins to upgrade to a school or district or maybe higher ed solution called Kahoot! EDU. And for admins, this is great because, of course, it allows the teachers to collaborate, and teachers are incentivized to actually do that lobbying because, of course, this gives them the most feature-rich product that we have.

Sean D'Arcy:

And those admins, a little bit like what James is saying, they often start with a base of seats. And then what we see is they quickly sort of expand their seat count and even to increase the number of sites or schools, for example, in a district scenario. So our growth strategy's really value-driven and bottom up, which we expect will result in sort of longer lasting, more resilient customer relationships that we can really build on with strong account management over time.

Sean D'Arcy:

So let's spend a bit more time on Kahoot! EDU, which is our school and district product. And it's really all about elevating, engaging learning across that school district or higher ed institution. As mentioned, teachers really want Kahoot! EDU to unlock that enhanced teaching toolkit, which includes more question types and more ways to do instruction, and they're really key. They're a really important group in the upgrade, as I mentioned, with lobbying being kind of the next group, which are IT admins, which buy the solution and get a team space, which enables them to offer that to all of their teachers to really collaborate.

Sean D'Arcy:

And then students, of course, are beneficiaries of the solution because they actually get even more ways to play and very soon, they're going to be getting more creator functionality, I'll come back to that in a bit, and even more access to more apps out there.

Sean D'Arcy:

And school leaders are another customer that really benefits from Kahoot! EDU in that they get more deeper assessments of student level assessment, as opposed to just anonymous assessment and be able to do more, have more branding options to actually showcase their school. And now, of course, we're enhancing all of this by making it even more smooth and secure with Clever.

Sean D'Arcy:

So I wanted to show you a little bit of Kahoot! EDU in action. So what good looks like for us is a classroom like this where kids are, of course, having a great time together learning. You would never know they're learning, but they are in fact learning. We call that camouflage learning. And so for example, Kahoot! EDU does a couple of things differently than our, of course, our free product. It allows educators to do engaging discussions, so not just a quiz which is a right or wrong. They can actually do polls and more advanced question types like Brainstorm, which actually asks them and allow kids to sort of discuss and really have more of an open conversation.

Sean D'Arcy:

It also fosters collaboration, what we call future-ready skills. I think James mentioned also Team mode. This is really great where kids can come together and learn together. By doing that, they're gaining some skills they might not otherwise get if they're playing individually. And it also enables educators to really deepen instructions, so Kahoot! is famous for review, but we really want to, of course, enhance and expand into instruction.

Sean D'Arcy:

And so in speaking of deepening instruction, we can do that, of course, with our new Courses feature, which Jostein and James spoke a bit about earlier and I know Agnete will come back to a little bit later on. But really, this allows educators to really add not only one Kahoot!, but several Kahoot!s!, add documents, add new activities for students to play, and they can play those either live together in a classroom scenario or for self-study for homework, for example, so really, we're really expanding the way that Kahoot! can be used not only for review, but for much more of instructional purposes.

Sean D'Arcy:

Okay. And so what you might not know about Kahoot! and Kahoot! EDU is that it's being used outside the classroom as well, and we saw some great examples from James around building culture inside organizations and institutions. Well, the same goes, the same holds true for schools where they're being used to create memorable professional development. Example you can see in this image here of some teachers getting together to learn together, also spirited and fun school assemblies and also doing some sort of awesome community building and parent events, so beyond, of course, the school walls being able to sort of relate out into the community.

So for Kahoot! at School, we really have, as I mentioned previously, a kind of, I think, proven or go-to-market, which we have the sort of five major approaches, which sort of stack together. We have the Freemium, which is all about that engaging quiz, accessing 60 plus million public Kahoot!s!, and really leveraging some of our ecosystem partnerships with Google, Microsoft, and Apple, which are really key to keep some of the integrations we've done with Google Classroom and Microsoft Teams, really essential to keep Kahoot! front and center in the learning and instructional workflow.

Sean D'Arcy:

Next, we look to Convert those features to paid by doing feature tiering, making amazing new features, continually innovating all the time and putting those in front of the educators and, of course, some of them upgrade. Critical mass upgrade to Kahoot! EDU. And also, what we're seeing more and more through some of our sort of assisted sales efforts is we're building sales cases. So for example, we're seeing we're going to district and saying, "Hey, we have thousands of educators in your institution using Kahoot!. Potentially, you'd want to upgrade to Kahoot! EDU to give them even more tools to do instruction."

Sean D'Arcy:

And, of course, last we see them sort of upselling and expanding up until to doing sort of more multi-year contracts and getting across multiple sites and then upselling to add more content and value adds. And I know Agnete will come back later and speak to you about Marketplace, which is a really, really amazing story around supplementary content which, of course, admins are also looking for.

Sean D'Arcy:

And we see, really, the strategies working amazing. We've seen 140x growth in multi seat deals in the last two years and we're really starting to get some large district accounts for hundreds of thousands of dollars coming in and it's not just K-12 actually. It's also for higher ed and it's not just the US, it's actually right around the world. So, we're really excited to see where this is going. We think the strategy is solid and now that we're really focused on QEDU and grade assisted sales, I think we're going to be able to see more and more of this going forward.

So, looking ahead for back to school 2022, we have some updated plan packaging, some really exciting new game modes that's going to, of course, make students and teachers re-engage them in the classroom, and I think with QEDU, we have student-centered learning and I'm going to come back to that in a minute.

Sean D'Arcy:

For 2023, we are looking at continuing to build out the interactive lessons with courses, more activities, just being much more feature rich and much more useful for educators and students. We want to do even deeper integrations with Clever and have a real shared account approach with Clever across districts, looking at where we're overlapping and then, really working together with those districts. And then also, of course, doing some learning management system integrations, we have some of our higher ed customers are asking for this, to do attendance and to do participation. It's very important that we also look at this.

And looking beyond that, of course, 2025 and beyond, but really what we're looking at here is one of the world's global fully localized digital learning platforms, which will be stacked with Clever for the infrastructure side. So this is of course, super, super exciting.

Coming back to student center learning, I'm quite looking forward to bringing this to our students this fall. For a long time, we've been talking about this here at Kahoot!. I think we've called it learners to leaders back in the day, but now, we're actually going to bring that to market this fall. What it really is being able to give kids the ability to not only be participants, but actually create Kahoot!s on the platform. And yeah, I don't mean just quiz. I mean, fully functional presentations with multiple different types of question types and that's really going to help them develop critical thinking, communication skills, really help them demonstrate their learning to their peers. What's more than that, we're going to give them more access to even more of our extended suite of learning apps.

Sean D'Arcy:

I'm going to cover some of those in the home section. So, that's another value add for them. And this is all going to be available with QEDU, which we believe, I think is going to be a real driver for site license upsell, especially when combined with Clever. And the magic of this of all is that we're going to be enabling this access to this additional creator and more learning apps via the method that they already know, which is the pin and QR code. So, teachers already know how to do this. Students already know how to do this. So, it's going to be a really easy way for them just to get more value out of the platform.

Sean D'Arcy:

So to sum things up, Kahoot! is really loved by educators, learners and students globally. Teachers are using it for engaging review, formative assessment and our ecosystem partners like Apple, Google, and Microsoft are really helping us to keep us front center in the workflow and making sure that we are working with both the students and the teachers. We want to really build out new products and functionality to make learning even more exciting and we're doing that continuously and we have some amazing new things coming up this back to school.

Sean D'Arcy:

And really, schools and universities are leading the charge with our revenue growth. We see critical mass of teachers really pushing the accelerated update of QEDU and we also see this in higher ed, especially. So, that's a very exciting area for us. And we really want to expand this footprint with QEDU site licenses with student-centered learning and of course, Clever. And speaking of Clever, I really would like to pass you over to my good colleague, Trish, to tell you a bit more about how Clever and Kahoot! are making learning awesome together. Are you there Trish?

Trish Sparks:

I'm here. Thank you, Sean, for getting us started on all the exciting things Kahoot! and Clever are doing in schools. Hello everyone. I'm Trish Sparks, CEO of Clever, and I'm so happy to join you today to share a bit more about where we've been and where we're going. This is an incredibly exciting time to be at Clever. Over the last 10 years, we've offered products for the edtech ecosystem. We've seen great success with our core platform, which now serves the majority of schools and students in the US. And as you know, we are wrapping up our school year in the US, and it's this time of year, we get to start looking back and see how our engagement grew during the school year. And in fact, if you've joined previous Clever presentations, you'll likely see some new engagement metrics today because we've grown a lot over the last several months during the school year.

Trish Sparks:

And I just checked our dashboard a few days ago, and we now have over 23 million students using Clever on a monthly basis. And this is up from about 20 million this time last year. So, that's very exciting. And because our rostering and SSO portal offerings are so well adopted by schools, we were able to scale the network by developing partnerships with over 750 edtech application partners by the end of last year, and even more now, including many of the leading brands in edtech. The acquisition last year by Kahoot! positions us really well for the next exciting phase of growth and we have new products, new markets to enter and still so much room to grow with our core platform.

Trish Sparks:

Dan Carroll, one of Clever's co-founders, started his career in the classroom and then became a school tech director. Clever was created specifically to solve problems that he experienced, because he quickly realized that the problems he was experiencing were common to most other classrooms as well. And so, as a tech director, the more schools he managed, the worse the edtech challenges became. Isolated data systems required painful manual processes to copy data from one system to another, which led to an endless stream of tech support tickets from frustrated teachers and students.

Trish Sparks:

The more technology you use, the worse it got. And at that time, the Clever co-founders knew that these were solvable problems. This didn't have to be the status quo and this wasn't just bad for IT people, these problems block students from accessing and using edtech for learning. In the past 10 years, there's been an explosion of learning apps and Clever has invented the essential infrastructure for that edtech to work in the classroom, serving all of our primary user groups.

Trish Sparks:

Students get access to their edtech applications with Clever. The platform is specifically designed for the K12 environment, so no URLs to remember and the single sign on technology makes it really easy for young learners. Teachers get to focus on instruction. Imagine being a teacher and having to help all of your students log in before you could start a lesson. I started my career as a teacher in the classroom, similar to Dan, and I can tell you that nothing is more frustrating for a teacher than to waste time that should be spent on learning. Through Clever, the IT administrators at school districts now have a scalable, secure way to manage all of their apps, create accounts and administer passwords and edtech app developers and publishers can focus on creating great content instead of worrying about integration and implementation headaches. Now with Clever, students have easy access. With single sign on, there's no need to remember multiple user names and passwords. All of their edtech apps are conveniently in one place in the Clever portal. The student homepage is the first thing you see when they log in to a school device. And now, as we work with Kahoot!, we'll be making this experience even more engaging over time. We've even made logging in fast and fun for young learners with Clever badges. And here's a little video clip showing you how it works.

VIDEO SECTION

Student:

That's so cool.

Trish Sparks:

The infrastructure and network we've built simplifies edtech rollout so that every student can just log in and learn. Over the last five years, we've seen the average number of apps used at schools in our network rise significantly. The increased amount of edtech usage brings more and more data management, integration and security issues for schools. These are issues that Clever is uniquely positioned to solve. The corporate solutions don't meet the need, either for the front end student experience or the back end data complexities, but with Clever, schools can launch new edtech apps in minutes, not months. Over the years, we've continued to decrease the average implementation time. As recently as 2020, districts launched only 22% of new apps in the same day. This year, year to date, over 40% of new apps launched the same day. That's real efficiency and improvement in time to realizing the value for the districts and for our application partners. To have that experience where you just log in and everything works, you need some great infrastructure on the back end. Applications need to connect to school databases. They need data to provision user accounts and provide personalized experiences. Without Clever, this is a nightmare, but we handle all of that. There are over a hundred commonly used commercial databases referred to as school information systems. With Clever, schools using any of those school databases can connect to any application. We've integrated with almost every school

database in the US, so application developers can plug into Clever once and use their software anywhere. This is a core competency for us.

Trish Sparks:

Clever has an innovative business model in edtech. It's focused on maximizing network growth. Schools don't pay for the core platform. They get rostering in the SSO portal, along with outstanding service and support for free. We've reached incredible scale with this approach, achieving over 95,000 US schools using Clever, including 97 of the top 100 districts, such as New York, Los Angeles, Miami, and the like. These school districts want to add their apps to Clever for superior data management, classroom experience and security. They ask the application vendors to work with Clever. It's the edtech vendors or application partners that pay Clever to use our APIs to more efficiently scale and deploy their software and to reach our wide network of schools. As you can see here, we currently have over 500 paying customers, but we also have about 300 more partners that use our free integrations. Many times, our partners start with the free option and then upgrade to paid over time. This is the district and app partner network effect that has helped us scale. Schools want to use Clever because their apps work better on Clever, they receive free product and services and a multitude of leading edtech apps integrated on the platform. Our partners want to use Clever because it's what schools are using. And again, their apps work better on Clever.

On the Clever platform, schools will find both the biggest names in edtech and the next generation of edtech leaders. We're essential infrastructure for all sizes of app partners. About 26% of overall revenue comes from the top 10 partners and about half of our revenue comes from our 25 largest accounts. The other half of our revenue comes from a multitude of up and coming developers.

Trish Sparks:

Our sales strategy is simple, to land and expand. We start by serving a portion of our application partner school customers, then our revenue grows, as apps subscribe for more and more of their school customers over time. Our top 25 accounts are growing around 24% per year and our net revenue retention from existing customers was 120% last year. Our roadmap for the future continues to grow the Clever network and the value we provide for all network members. We grow by activating more school teacher and student users. That drives demand among edtech apps and new ones coming to partner with Clever for more and more of their school customers over time.

Trish Sparks:

And now, we are introducing new paid add-on products to our district network. We have the Clever app store for schools seeking to purchase edtech software. And this year, new identity management and security products for school. Launching into international markets is another multiplier for the network and where Kahoot!'s brand and experience will be a big boost. We also have ample opportunities with Kahoot! to offer Kahoot! products, to provide Kahoot! integrations for Clever partners and more.

We have a strong foundation laid for increasing value through our network effect. We now have 70% of US K12 schools on the platform, with room to grow active users within those schools, getting more teachers and more students using the platform with increasing frequency.

Trish Sparks:

Right now, across all schools in the Clever network, they have an average of seven apps on Clever and the top quartile of Clever schools have an average of 15 apps. When schools connect all of their apps to

Clever, they get new apps and update their configurations, value grows for all parts of the network. The schools typically have many more than just seven or 15 apps. In fact, we estimate an average of about 60 apps per school. This is good. This gap is pure opportunity for us to sign new application partners and get old manual modes of provisioning students automated on Clever.

Trish Sparks:

Very recently, we've created new ways to add value for our network. Last year, we launched our first paid identity management product for schools, Clever IDM for Google. We could tell right away that there was product market fit. School districts need Clever to continue adding value to them by building out the infrastructure that would help keep student identity secure and their data safe. We've enhanced our offerings this year to include IDM for active directory and we're entering the beta phase for our new multifactor authentication solution. In the US, school districts are now being required to use multifactor authentication for teachers and staff in order to obtain their cyber security insurance and they need Clever to help them meet that requirement. Last year, we kicked off our integration with Google workspace for EDU plus, which we've now bundled with our identity management product for Google. This gives schools and everything they need to set up their Google workspace in one easy package. All of these products are available in the Clever app store.

Trish Sparks:

And the Clever app store is actually another incredible opportunity we have available to add value to both our school districts and our application partners, by providing a marketplace to buy and sell edtech solutions at scale. In the app store, we're selling our own first party solutions, products for the school IT buyer to solve their edtech infrastructure problems. These are our own products and uniquely bundled offerings with partners. We're also providing a scalable channel for our partners to sell their edtech products. Edtech buyers get a unique buying experience. They can browse reviews, see demos, get quotes and click to buy. We believe there's great opportunity to help buyers find the right edtech solutions for their schools and to help Clever and partners scale their distribution.

Trish Sparks:

Another exciting opportunity and probably the most obvious one we're pursuing is global expansion. Ever since I arrived at Clever, I've been hearing from our current app partners in schools asking us to take what we've done in the US and make it available globally. When I was at LinkedIn, I was fortunate enough to have the opportunity to help take the sales solutions product from a US only offering and scale it globally and I can't wait to do that again at Clever. It took us years to get where we are today in the US, but with a phased approach to global expansion at Clever, we believe we can move much faster. We've already built the core platform for the US and with a simplified rostering and portal experience, we can quickly help schools in Canada, the UK and Australia solve the universal challenges with edtech and save teachers time in the classroom. And don't forget, we have our amazing network of application partners, many of whom are already global and excited to use us to expand with them.

All in all, we believe the total available market opportunity for Clever ranges from 500 million to a billion dollars worldwide for our core platform, new products and taking these products into new markets outside the US. The edtech market is incredibly dynamic. Worldwide, there were 4,800 K12 edtech startups in 2021 and a billion dollars in US investment in K12 and Clever is positioned to be the platform and infrastructure to help them all grow.

Looking ahead, we've planned a product roadmap to meet these opportunities. During this back to school season, we've got powerful new data management features in our core platform, our new security products, Kahoot!'s products on Clever and our first international launches into Canada, the UK and Australia. In 2023 and 24, we'll continue to focus on connecting more and more edtech apps for schools, building out new products and interface two of our international expansion. We'll be ready to debut new offerings for Clever partners that help them take advantage of the Kahoot! platform. And further out, we'll continue to scale globally with Kahoot!, including the necessary localization efforts and marketplace strategies.

Now that Kahoot! and Clever have come together, we have the opportunity to make learning even better. We have lots of room to grow engagement with teachers and students, begin the global expansion of the Clever platform and eventually with Kahoot!, extend the learning experience from the classroom to the home, which is coming up next. So now, I'll pass it back to you, Amanda.

Amanda Taselaar:

Thank you, Trish, for going through Clever's business strategy, new products, in addition to future plans and opportunities. And thank you, Sean, for walking us through the business area, Kahoot! at school and these awesome opportunities for collaboration. Now, once again, let's hear from Sean, our VP of Kahoot! at school and home, who will now talk about Kahoot! at home. Over to you, Sean.

Sean D'Arcy:

Thanks again, Amanda, and hi everyone, again. I'm happy to be back to tell you a bit more about Kahoot! at home. So like school, Kahoot! at home really revolves around making learning awesome for millions of students, parents, and social users through a portfolio of award-winning products and apps that support everything from early childhood development, right through to lifelong learning. Kahoot! at home is all about making learning both social and entertaining for these three main customer groups. The first are young students and parents. What we want to do for them is really offer a playful and shareable home learning toolkit and also at the same time, leverage the recommendations and advocates from the nine million teachers that we have on the platform.

The second group are older students, 16 plus, and for them, we really want to offer them a fast, fun and flexible social study time that really draws upon and feeds into the hundreds of millions of students that are already playing Kahoot! as participants today.

Sean D'Arcy:

The last group are casual, social users. We really want to entertain those folks with learning with friends and families, whether it be Friday fun or important life milestones and events like weddings, for example, and as James mentioned, this is really an important group that is not only important to monetize, but really as the lead generation and for growth for at work business area. And all of these groups can really upgrade to Kahoot! plus to unlock more functionality, such as access to learning apps, more study modes, or premium, ready to play Kahoot!'s via marketplace, which in a few minutes, my good colleague Agnete will tell you more about.

Sean D'Arcy:

So, let's have a look at some of the offerings that we have. Our first offering is Kahoot! kids, a fun learning experience for kids age two to seven, that's really designed to spark curiosity in the youngest learners. It really offers a safe and curated content experience with world class [inaudible] technology. We're happy to say that we actually launched on even more languages recently, so we're up to eight

languages now. It's getting some great traction with parents and educators and pre-K to grade six and great to see some of the numbers that Jostein shared earlier.

Sean D'Arcy:

This is of course try, you can try for free or you can upgrade to Kahoot! plus to access the entire product. In addition to Kahoot! kids, we have the extended and awesome family of learning apps. We have from the Dragonbox studios and also Drops. And these are all award winning apps designed to help kids and learners really build skills and language and literacy, critical thinking, numeracy and social, emotional learning. The apps are all free to try in a lock through to plus subscriptions or as standalone purchases via the Apple app store or Google play.

Sean D'Arcy:

One of the learning apps we're really excited about is the all new Kahoot! multiplication app. As you can see, it's very creative. It was developed by our Dragonbox studio of learning design experts and this app is really designed to help turn your kids into math superstars and it's already proving to be a hit with great reviews from parents and kids alike. And that's also free to try or part of Kahoot! plus subscription or as a one time purchase.

Now, older students, we have of course, hundreds of millions of students using Kahoot! as participants, but older students are also telling us that, "Hey, we're not just using it to be participants, we're using it for more." What they're using it for is actually for self study. So for example, exam preparation. They're using it for group study. So, instead of just studying by yourself, getting some friends together and going through material, and interestingly, they're also using it for interactive presentations that don't bore their audience, essentially.

Sean D'Arcy:

So. Instead of just doing a typical presentation, they want to, of course, engage their audience and make sure that they're following along. And so, that's why we've developed Kahoot! plus study that really gives students more study mode functionality, the ability to create more study groups, so actual study groups, I think you can see from this image here, so you can compete in a tournament and more ways for them to actually create compelling presentations for both their peers and their teachers.

So, we really love to see families and friends getting together for the proverbial game night with Kahoot!. We really try to make Kahoot! easy to get started with by localizing the app and curated content into 14 languages. We've also developed social event templates, themes and soon, we're excited to say some new game modes that are really going to help level up the excitement at home. We've also created some shareability with integrations with Apple shareplay, Microsoft teams, Zoom, Google meet, and also Snap for virtual play. And users, of course, can upgrade to Kahoot! plus to really access more premium, ready to play content and even more creator functionality.

Sean D'Arcy:

So the student and their parents represent a simply massive opportunity for Kahoot!. They represent a giant total addressable market of 20 plus billion globally. And with over 400 million students across OECD countries alone, we would only need to capture a fraction of a fraction to operate a really successful business in this area. And so, we really want to leverage the Kahoot! platform, the Kahoot! brand, and really build more value for the use cases across the segments. Plus, we really want to generate more synergies from both the Kahoot! academy marketplace and of course, Clever as well. What's more is that older students, so of course there's this opportunity with this group here to

monetize them, but what's even more interesting is some of the older students are on the verge of entering the workforce as professionals and we really want them to bring not only Kahoot! with them, but the upgraded version of Kahoot! with them into the workplace.

Sean D'Arcy:

I think this is a great way to generate leads for that segment. And of course, as I already mentioned, and James brought up as well, the casual user segment is really an important segment to kickstart things in not only at home, of course, in the work segment. We have this expression at Kahoot! is, "To play Kahoot! is to promote Kahoot!." We really believe a lot of that starts in the home market area.

So, the go to market for home is really built around five key areas. The first is really, we have a bit of an unfair advantage with our nine million teachers, half of which actually tell us that, "Hey, we recommend apps to our parents regularly."

Sean D'Arcy:

So, you really want to do an even better job of leveraging that teacher base as advocates to recommend our apps and services to parents. More than that, we want to involve parents much more in the learning experience through not only play, but also creating kid friendly Kahoot!s and also connecting that through reporting and analytics to have that virtual or that positive feedback loop around learning. We also want to differentiate our social study product, our study product to be much more around social and group study versus just purely flashcards and the more traditional study modes and also give of course, make the tool very versatile for students by having interactive presentation elements built in. Habit is of course a really important part for this segment and that we really want to build up with premium, ready to play content via marketplace, which again, Agnete will come back to, and we want to just continue to really build up a household name localized into a multitude of languages and leveraging of course, our great partners with Google, Apple, Microsoft and more, and also really great content partners like Disney.

Sean D'Arcy:

Yeah. So, looking ahead, we really want to create even more value and increased functionality. Back half of the year, we're looking at even more simplified plans under the Kahoot! plus umbrella. We want to launch something called the Kahoot! learning world, which I'll come back to in a minute. We really want to do an even more concerted push for student study at this back to school. Looking beyond that, in 2023 and 24, we really want to introduce family creation, really get parents involved. I'll come back to that as well and do some more around fun rewards and collectables for kids, making sure that they're always rewarded for learning and not just making it a game that's a one time thing only.

Sean D'Arcy:

In 25 and beyond, we are looking at, of course, expanding this to even more social learning communities that... We're all about organic growth and we believe building up learning communities will help that and really making sure that we are fully localized digital learning platform and entertainment platform in as many markets as we can do. So, coming back to some of the new initiatives that we have coming up, we have the Kahoot! learning world. On the next slide, you'll see that we really want to make a very simplified and rewarding experience for kids and their parents coming on the other side of the summer, and part of this is we're going to be building in, of course, not only this beautiful and intuitive user

interface, but we were going to be adding in analytics and learning progress, which really, I think, pull up engagement and stickiness with parents and their kids.

Sean D'Arcy:

The other area that we're really excited about is this Family Creation and Connection. And so we know the parents are, of course, they're turning to some of our apps to improve screen time, but we're not satisfied with that. We would like them to do even more with their kids in getting involved in actually creating Kahoot!s with them, for example. We're working on ways for them to make really personalized, kid-friendly Kahoot!s and then beyond that, we're connecting them with a wider community of like-minded parents who are also doing the same thing. And then of course, connecting that back to our efforts with Marketplace and Clever as well.

Sean D'Arcy:

So a couple of key takeaways for the Kahoot! at Home area, kids with Kahoot! get to play fun, engaging learning games while parents get to improve, of course, screen time and looking forward, connect more with their kids through learning in Kahoot! Kids, learning apps, and all sort of enabled by Kahoot! Plus subscription.

Students use Kahoot! for not only, of course, being a participant, but they can also use it for studying either by themselves or more likely with a group. And they can also use Kahoot! to do really compelling and interactive presentations with Kahoot! Plus Study.

And last but not least friends and family can upgrade to unlock even more content and access more fun extras. And of course, this group is a very important growth segment for other segments such as business.

Sean D'Arcy:

So we have so many amazing opportunities ahead of us for a Kahoot! at Home, and we're truly, I think, uniquely positioned in this massive market with our brand, localized platform, user base, and global reach. And with that, I'd like to pass you back over to Amanda and hopefully see you in the Q and A.

Amanda Taselaar:

Thank you, Sean. It was great to hear about the business area Kahoot! at Home and learning all about Kahoot! Kids, Kahoot! Study, and leveraging our huge network in addition to the amazing plans ahead. Now, I'm going to pass it off to my colleague, Agnete, our VP of Kahoot! Academy. Over to you, Agnete.

Agnete Pedersen:

Thank you, Amanda. Hi, everyone. My name is Agnete Pedersen, and I am responsible for Kahoot! Academy, a business area within the Kahoot! platform ecosystem that focuses on bringing premium content to Kahoot! users everywhere. Today, I will present together with my friend and colleague, Craig Narveson, our very own Director of Strategic Partnerships. We'll focus on four core opportunities for Kahoot! Academy's growth today with most attention to the development of our marketplace for learning resources. You'll also hear about how we work to boost user engagement and retention and how we work with our global creator community. And lastly, Craig will go through how we will expand

and grow by offering new B2B solutions including the solutions and opportunities for our publishing partners.

Agnete Pedersen:

Kahoot! Academy drives a development of Kahoot!'s creator community and content offering. The content from Kahoot! Academy's global community of verified creators and industry unique content partners currently engages more than 300 million participating players from all over the world every year across all user segment from casual social users to teachers and trainers within the corporate space.

Agnete Pedersen:

In December 2021, we released our first commercial product, a content subscription called Kahoot! Plus access Pass that allows all of our users to access a comprehensive library of premium content for monthly or annual fee. We're also currently in the early access stage of rolling out Kahoot! Marketplace where we will make it possible for our community of creators to join the global creator economy and monetize their content.

Agnete Pedersen:

Since Kahoot! Academy was established in 2020, we have offered unique content to Kahoot! users from all over the world. We are making it easy, as easy as possible, for our users to find exactly the content they are looking for whether that is a news of the week trivia quiz for Friday fun or a biology course that goes deeper into the subject matter. Premium content from Kahoot! Academy helps our users to save time, engage with the topic, and it inspires them to come back to Kahoot! for more. This is the best possible foundation for viral growth and also for commercial growth which leads me into the main topic from our presentation today, Kahoot! Marketplace.

Agnete Pedersen:

As mentioned by several others already today, Kahoot! Marketplace is a global marketplace for learning resources with content made and offered by our creators and partner community. As a first step in building the Marketplace, we launched our first content subscription a few months back, and the results so far clearly show a willingness to pay for content on Kahoot! across all user segments. And currently, during our gradual rollout of the Marketplace, you are making it possible for more and more creators to monetize their content, and we will continue these gradual rollout during the next months.

Agnete Pedersen:

There is no limit to who can offer their content on Kahoot! Marketplace. Our creator community consists of verified creators from all over the world from educators to domain and subject matter experts, publishers and corporations. In other words, there are millions of potential marketplace sellers in the Kahoot! ecosystem who can cover a wide range of topics in all languages not limited to the languages covered by our platform and for all age groups. And by giving our creators a commercial platform, we are supporting them in joining the fast growing global creator economy. For our community, Kahoot! Marketplace represents an opportunity to monetize their content and reach

potential buyers everywhere. For Kahoot!, it represents a significant opportunity for opening new revenue streams.

Agnete Pedersen:

So I will now go more into detail on the diverse commercial offering on Kahoot! Marketplace. From this year, we will offer basic learning resources from \$2 per item, collections and subscriptions from \$3 per month, such as Kahoot! Access Pass, and premium courses from \$5 per item. In the near future, we will expand our offering into branded and white labeled courses as well as courses for personal and professional development, something Craig will go through a bit later. We'll also make it possible for users to pay to subscribe to creator channels, adding even more value to our marketplace and giving even more value back to our community. The opportunity for both immediate growth and future expansion is very promising. Now let's look closer at the market opportunity.

Agnete Pedersen:

The commercial opportunity for Kahoot! Marketplace is, as you can see here, significant. Based on the current solutions we observe in the market for the top five players within the creator driven learning content space, we estimate the current total addressable market opportunity at approximately 2 billion dollars a year. The global creator economy is expected to grow from approximately a hundred billion dollars today to more than 400 billion dollars already next year, so this shows the great potential for growth within this segment. And we are uniquely positioned as we are building a marketplace on top of a world-leading global learning platform. All of our nearly 2 billion annual participating players and users across the whole Kahoot! ecosystems are potential buyers, and all Kahoot! creators are potential sellers.

Agnete Pedersen:

For example, a language learner from Drops can come to Kahoot!'s Marketplace to learn more about a language. A district leader from one of the 10,000 districts can look to Kahoot!'s Marketplace for district-wide content packages. A teacher currently using Dragonbox to teach math can sign up and become a seller. Additionally, our marketplace will not be limited to one core user type. We will offer content for absolutely all audiences across all business areas. With our beloved and trusted brand, our ecosystem and our large global and diversified user base, we are uniquely positioned to capture this opportunity. Expanding the offering across our verticals extends the opportunity even further. And now I will hand over to Craig, and he will talk more about the B2B opportunities for Kahoot! Academy including expanding opportunities for our partners. Take it away, Craig.

Craig Narveson:

Thanks, Agnete. And hi, everyone. My name is Craig Narveson, and I have an exciting role at Kahoot! leading the partnerships team. Over the past several years, Kahoot! has cultivated a strong and truly industry unique set of partners, all highly respected organizations and brands which reflect our mission to make learning awesome. Our partners include those on this slide and many others, all of whom are important to our success. Our partners are very special to us, and I'm happy to say that the number of our partners is growing at an accelerating rate. For context, and at a high level, our partners support distribution, examples of these being Microsoft, Apple, and Google, as Sean mentioned earlier, enhanced Kahoot! gameplay experiences with Unsplash and Vimeo as two recent examples, and of course, high quality content, including thousands of Kahoot!'s collections and courses supporting hundreds of millions of players to date serving all Kahoot! audiences. Our partnerships are a key driver for Kahoot! audience demand and our extensive audience, in turn, attracts partners. This dynamic

relationship works hand in hand and has the clear opportunity for exponential growth both in terms of Kahoot! audience engagement and the number of Kahoot! partners.

Craig Narveson:

Now let's focus on our content partners who will play a key role in unlocking the full marketplace opportunity. Currently, over 50 brands are featured on Kahoot!. A few recent additions include for profit publishers, DK, part of Penguin Random House, one of the top five publishers in the world, and Barron's, a leader in test prep, also other leading learning brands, such as Minecraft and the World Health Organization. But regardless of the partner, the engagement and extensive audience reach Kahoot! offers are common value threads for our partners. You can see the sentiment reflected in the quotes here. For some partners, brand awareness is key while for others, its engagement linked to impact based objectives. Kahoot! supports both of these and others. Focusing on the Microsoft, sorry, Minecraft partnership, part of Microsoft, since launched in November 2021, over 9 million participating players have engaged in their Kahoot! games. 250,000 of which in the first 24 hours after going live on Kahoot!. Our content partners are achieving their engagement goals with Kahoot!, but their interested in doing even more.

Craig Narveson:

To address both the market opportunity and partner interest, we're now building on top of our current technology and expanding the engagement it already supports with the release of Kahoot! Courses, as mentioned in several of earlier presentations today. As you can see in these designs courses will support a partner brand aligned experience as well in both live and single player experiences, and whether launched from Kahoot! or from a course embedded on a partner's website or channel, thus enabling B2B expansion. Courses not only represent a longer format learning and brand engagement opportunity, but also a richer learner experience, one that goes well beyond Kahoot!s alone. As such our partners can take direct advantage of their own existing resources, such as documents, audio podcasts, and more in the future, supporting an even higher level of commercial value. Further, and importantly, course participants will benefit from course completion certificates. Learners can share their certificates with their follower communities of choice and adult learners taking a course for professional development can add their certificates to their LinkedIn profiles with all such actions designed to unlock viral awareness of the course itself.

Craig Narveson:

These, and other lead generation opportunities, will soon be made available to our partners. The enhancements presented here at a high level represent an exciting step change for Kahoot! and for our partners, covering all audience segments. With such fully white-labeled experiences, our current and future partners will have the ability to, next slide, create a more fully brand immersive experience which can be pulled through the entire learner experience as you can see here. Our partners will be able to support employee recruitment or training, build a full CSR program, or demonstrate their thought leadership on a specific topic, and so much more. Kahoot! engagement combined with a partner's message in a brand immersive experience plus the ability to use the proven Kahoot! platform to generate deeper engagement and revenue is a strong proposition. I'm very excited to offer this to our most important partners within the coming quarters. And with that I'll hand back Agnete.

Agnete Pedersen:

Thank you, Craig. How exciting is that? So looking ahead now, you can see that there will be a lot happening both within this period and over the coming years for Kahoot! Academy and Kahoot! Marketplace. For this back to school year, we will officially launch Kahoot! Marketplace offering a wide range of content from our global creator community and content partners. We will expand the opportunities and revenue potential for our partners and launch upgraded versions of our content subscriptions both as value adds to our software plans and as stand-alone offerings. And lastly, we will start expanding Marketplace into Clever's ecosystem, giving access to premium content for schools and school districts.

Agnete Pedersen:

The next couple of years, we'll be focused on scaling the marketplace with more creators, more partners, more resources for sale, and a range of different formats across Kahoot!'s ecosystem. We will develop B2B and partner solutions including branded and white-labeled experiences. And with all of the opportunities we have talked about today, we believe that we have the opportunity to become one of the leading marketplaces for learning content in the world for creators, for publishers, and for students and teachers. So to wrap it up, at Kahoot! Academy, we lead with engagement, we support our creators, expand the opportunities for our partners. And with that as foundation, we are building one of the leading marketplaces for learning content in the world. So with that, I thank you all for your attention. Hope to see in the Q and A, and I will hand you back over to Amanda.

Amanda Taselaar:

Thank you, Agnete and thank you, Craig, for going through Kahoot! Academy, the Marketplace, and the amazing partnership opportunities. Before we move to our Q and A session, which is the final portion of our presentation today, I'm going to toss it over to Eilert for a quick summary of what we have discussed today.

Eilert Hanao:

Thank you, Amanda, and thank you for everyone who've been listening into this and being part of today's session. It has really been great to see the fantastic performance that we've been able to achieve across all these different areas of our business. And also a big thank you to today's presenters, both with the depth of our work initiatives and investments, of course, with the platform foundation from Jostein at the beginning, with the financial dimension of what we're doing, not the least, what we're doing in school, both on the Kahoot! side of the fence, and addition on Clever and what is coming next on the home and social side of usage or Kahoot! in addition to what we do on Marketplace, which again, is of course benefiting to all of these different segments and user groups. And I think this also summarized well the value of the different tracks of the businesses and product ranges that we have in Kahoot!.

Eilert Hanao:

So to wrap that up, I'd like to have a short summary on today's presentation. We have basically gone through the brands. We have seen the fantastic engagement we're able to build on the Kahoot! platform with what we're doing on the, that really makes a difference when it comes to learning because that's, in the end of the day, what this is all about. We have a huge, addressable total market ahead of us, both at home, at school, and at work, and we haven't even started on really making sure

that we can get across with our great solutions and the great opportunities in each of these segments. The strength we have in being purpose led and inclusive and being as customer centric as remotely possible, combined with being innovative with over half of our staff focusing on building new, great products and services that we have heard and seen how they come to life for these different segments.

Eilert Hanoa:

And of course the scalable, financial model supporting this growth, but also supporting the investments opportunities we have across our own organization and business opportunities. Because in the end of the day with the scalability that we have in built into our organizational model and the way we are managing our resources is also truly foundation and a safety net for being able to operate as a successful growing company in the future. And last but not least, our unique position in a global market for learning, whether it's from a language perspective, from a segment perspective, and of course, growing with our customers, both from an age and development and usage is also what is really driving the ecosystem around Kahoot! and the opportunities we have going forward. So again, thank you very much for attending this event, and I'm very happy now to hand over to Amanda to take us through the questions from the Q and A.

Q&A SECTION

Amanda Taselaar:

Thank you, Eilert for that great overview. So we are now ready to move to our final section of our investor day which is the Q and A. We thank you for your submitted questions, and if we do not get to them, please feel free to reach out. We will start with a question for Trish, the CEO of Clever. So Trish, what portion of the Clever 2025 revenue outlook is U.S. versus international? And how will you speed up the Clever rollout outside the U.S.?

Trish Sparks:

Yes. So thanks for that question. We're excited about the international expansion, and the major share of our revenue, we still estimate will come from the U.S., also in 2025. The U.S. market offers a lot of growth space, and at this point, we're not ready to give a specific breakdown of the international revenue component.

Amanda Taselaar:

Thank you, Trish. I'm going to keep you here because our next question is also for you, and it comes from Ostein Loadguard from ABG. What will the pricing model be for Clever's IDM and MFA products? And what do you think the revenue potential for these products can be?

Trish Sparks:

Yes. So Clever IDM is currently priced at a per student price in the district, similar to most other ed tech solutions in the industry, and we haven't released our MFA product yet, but the model will likely be pretty similar to that. It's still early days with these offerings, so we're learning a lot. One thing we've learned so far is that while smaller districts can commonly buy and deploy these products through our online channel, our new district sales team will need to be more involved in the larger districts. So how quickly we can grow these offerings in medium and large districts will determine largely the revenue impact, which is still to be determined.

Amanda Taselaar:

Thank you so much, Trish. Our third question is for James, our VP of Kahoot! at Work. And this question is from Ostein Loadguard from ABG. How much of your growth in Kahoot! at Work comes from customers that sign up themselves online, and how much comes from inbound requests from new or existing customers that you handle with the sales team?

James Micklethwait:

Yeah. So customers who sign up online are currently the largest segment within the Kahoot! at Work portfolio overall. So therefore a significant proportion of the growth does come from the segment. However, as we outlined today, we've seen very strong growth in inbound sales for Kahoot! 360 specifically coming from new and renewing larger accounts which are delivered by the sales team. So what we can say, we don't have specific numbers to share at this time, but what we can say is that inbound sales of larger accounts are making an increasingly important contribution to the overall growth of the Kahoot! at Work segment.

Amanda Taselaar:

Thank you, James. Our next question is for Ken. How do you see your cost base evolving and which factors are impacting it most?

Ken Ostreng:

Yeah, so we expect the operational cost base to have a modest quarter on quarter development where the development and increased team size will be the key factor. We will be focusing investments into product innovation to secure competitiveness. So continued a long term profitable growth.

Amanda Taselaar:

Thank you for that, Ken. Our next question is from the chat here and how do you expect to grow revenue for the Marketplace? And Agnete, since you are VP of Kahoot! Academy, I'm going to pass that one over to you.

Agnete Pedersen:

Sure. So as you have just seen, the Marketplace revenue will come from a combination of different initiatives, a combination of revenue from content subscriptions, both stand-alone and as value adds to our other paid products. It will come from Marketplace sales, which means revenue share and licensed content sales, expanding opportunities with partners that you saw that Craig talked about now and expansion into the B2B segment and also leveraging the Kahoot! ecosystem, for example, by expanding into Clever. And we will do this across all business areas, all user types, globally, all over the world. And most importantly, we are building this on top of a world leading learning platform, and that is very unique, so I think we have a very good opportunity to see a lot of growth over the next coming years.

Amanda Taselaar:

Thank you so much. So we have one final question for today, and Eilert, this one is for you. How resilient is your business towards a more negative economic environment?

Eilert Hanao:

Thank you. I think that's a great question in today's turbulent markets. There's no doubt that what we have both has been seeing in the world economy, but also the uncertainty, whether it's related to pandemic or shipment of goods or other issues, the need for companies and organizations to be able to do remote training, to do digital training, and to have flexible solutions, easy to use solutions with a low, upfront investments is more important and more popular than ever.

Eilert Hanao:

We believe that as a company with a strong brand, with a distributed organizational setup, and also providing low price solutions for all segments, you could buy it as an individual, as a team, and as organization, and we've seen these changes in behavior happening through the pandemic as well. It really makes us resilient to be able to adapt and to offer what customers and organizations really need also, if we will have more turbulent times ahead of us. And of course, with over 50% of our organization focusing on building great new products and services for our customers every day, we also have a very strong and ability to continue to invest for what customers and, in the end of the day, learners need to make sure that we are able to deliver also learning experience.

Amanda Taselaar:

Thank you so much, Eilert. Thank you everyone for joining us today for Kahoot!'s Virtual Investor Day. Thank you for your questions and for taking the time to learn about Kahoot!. Thank you also to all of our speakers. Please reach out if we did not get to your question today, and we definitely hope to see you again soon. Bye.