

Kahoot! Group

Q2 2022 Report

Kahoot! Group Reports Second Quarter 2022 Financial Results

OSLO, 11 August 2022 – Kahoot! ASA, (KAHOT) today announced financial results for its fiscal quarter ended 30 June 2022

- Invoiced revenue \$37.2m, up 81% YoY, Annual Recurring Revenues \$142.5m up 90% YoY
- Adjusted EBITDA of \$6.9m, up 65% YoY, adjusted cash flow from operations of \$5.2m
- Net 40K increase in paid subscriptions, totaling 1,210K paid subscriptions, up 30% YoY
- Professional subscriptions growth; Kahoot! at Work paid subscriptions 530K, up 32% YoY, Kahoot! at School paid subscriptions 410K, up 39% YoY

“I am pleased to announce that the Kahoot! Group continued to execute well in the second quarter. We delivered robust growth in billings and adjusted EBITDA, growing operating cash flow, and saw continued commercial improvements across all business areas. In the first half, the Kahoot platform represented 50% of the revenues, a YoY growth of approx. 30%. This is a solid performance given the turbulent market this year and the extraordinary events of last year, demonstrating Kahoot!’s ability to continuously deliver sustainable profitable growth, both during and after the pandemic.

We remain focused on executing our strategy by leveraging our scalable platform, broad user base, partner ecosystem, and our love brand, to drive growth and monetization. Reaching 8 billion non-unique cumulative participants since launch, is a testament to both the universal strength of the Kahoot! brand and our growing platform. During the quarter, we launched several new exciting and value-enhancing features ahead of the important back-to-school and work season. Similarly, we continued to develop our deep collaboration with long-standing partners like Apple, Google and Microsoft. We believe these efforts and our product roadmap will further expand our opportunity for future growth and expansion with customers.

We also saw continuous improvement in our commercialization efforts led by increased conversion and growth among professional user segments on our platform, as well as a strong performance from Clever ahead of the important back-to-school season. During the quarter we recorded a solid growth in the number of larger deals, including the largest deal ever in the Work segment.

Going forward, with the good momentum, our product roadmap for the fall and a scalable platform, we remain confident about continued growth as we make learning engaging and accessible for millions of users around the world every day. And with the launch of our Marketplace we are able to extend Kahoot!’s business model and truly contribute to the global creator economy.”

- Eilert Hanoa, CEO of Kahoot!

Second Quarter 2022 - Financial and Operational Highlights

- Invoiced revenue (billings) was \$37.2 million in the second quarter, up 81% YoY, including Clever, which contributed \$13 million. Excluding Clever, invoiced revenue in the second quarter grew \$3.6 million YoY to \$24.2 million, up 18% YoY. For the first half year 2022, invoiced revenue grew \$31.6 million YoY to \$71.2 million, up 80%. In the second quarter, the U.S. and Canada as the largest region represented 61% of the Kahoot! Group's invoiced revenue (including Clever).
- Annual Recurring Revenue ("ARR") of \$142.5 million, up 90% YoY. Clever contributed to approx. \$49 million from its U.S. ecosystem partners.
- Total revenue and other operating income of \$36.1m, up 96% YoY. For the first half year 2022, total revenue and other operating income grew \$35.9 million YoY to \$70.4 million, up 104%.
- Total operating expenses (excluding share-based compensation expenses and related payroll taxes, acquisition related expenses and listing cost) was \$29.2 million in the second quarter, an increase of approx. \$0.5 million QoQ.
- Adjusted EBITDA (excluding share-based compensation expenses and related payroll taxes, acquisition related expenses and listing cost) of \$6.9 million, up 65% YoY. For the first half year 2022, adjusted EBITDA grew \$4.8 million YoY to \$12.6 million, up 61%.
- Cash flow from operations (excluding payment of listing and acquisition cost, and cost effects related to share-based compensation) of \$5.2 million for the second quarter, and \$9.4 million for the first half year 2022.
- Cash and cash equivalents as of 30 June 2022, totaled \$76.6 million. The Group has no interest-bearing debt.
- Total number of paid subscriptions reached 1,210,000 across all services, up 30% YoY, representing an organic increase of 40,000 from the previous quarter, with approx. 25,000 on the Kahoot! platform. At the end of the second quarter, Kahoot! at Work reached 530,000 paid subscriptions, Kahoot! at School reached 410,000 paid subscriptions and Kahoot! at Home and Study reached 270,000 paid subscriptions.
- Active accounts on the Kahoot! platform (over the last twelve months) were 28.0 million, with 288 million hosted sessions, and a total of approx. 1.8 billion participants (non-unique) globally. Active accounts LTM in the Work category grew 53% YoY, School grew 1% YoY and Home and Study had a 7% reduction YoY.

"The group delivered a solid quarter with Kahoot!'s scalable business model delivering the 11th consecutive quarter of positive cash flow from operating activities, as well as a strong gross margin of 95%, and an adjusted EBITDA margin of 19%. Our operations remain nimble, and we expect to continue modest QoQ operational cost increases in the second half. We are looking forward to the high season with Clever contributing to the operational cash flow. With our strong foundation for both short- and longer-term growth, we remain committed to our financial ambitions."

- Ken Østreng, CFO of Kahoot!

Alternative Performance Measures

In order to enhance the understanding of the Kahoot! Group's performance, the Group presents certain measures and ratios considered as alternative performance measures (APMs) as defined by the European Securities and Markets Authority, and these should not be viewed as substitutes for any IFRS financial measures. The APMs includes Invoiced Revenue, Monthly Recurring Revenue (MRR), Annual Recurring Revenue (ARR), EBITDA, adjusted EBITDA, adjusted cash flow from operations and equity ratio. These APMs are presented as the Group considers them to be important supplemental measures to understand the overall picture of revenue and profit generation in the Group's operating activities.

USD in millions	Q2 2022	Q2 2021	YoY	H1 2022	H1 2021	YoY	FY 2021 ⁵
Total revenue and other operating income	36.1	18.4	96 %	70.4	34.6	104 %	91.3
Cost of sales ¹	1.7	1.7		3.4	3.1		7.0
Employee benefit expenses ²	14.7	6.5		30.4	12.7		35.2
Other operating expenses ³	12.8	6.1		24.0	11.0		29.7
Total operating expenses	29.2	14.2	105 %	57.8	26.8	116 %	72.0
Adjusted EBITDA	6.9	4.2	65 %	12.6	7.8	61 %	19.3
Share based compensation expenses	4.6	1.8		10.2	3.9		15.5
Payroll tax share based compensation	(1.4)	(7.3)		(4.5)	(5.9)		(7.6)
Acquisition transaction and listing cost	0.0	1.6		0.2	3.0		6.6
EBITDA	3.7	8.0		6.7	6.8		4.7
Invoiced revenue	37.2	20.6	81 %	71.2	39.6	80 %	107.2
ARR end of period	142.5	75.0	90 %	142.5	75.0	90 %	133.0
Adjusted EBITDA margin	19.1 %	22.6 %		17.9 %	22.7 %		21.1 %
Cash flow from operating activities ⁴	5.2	5.0		9.4	10.4		31.3
Cash and cash equivalents end of period	76.6	440.5		76.6	440.5		107.8

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

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

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

⁴ Q2 2022 mainly adjusted for \$0.1 million cash outflow for expenses to, social security cost on share-based payments

⁵ Includes Clever from 1 September 2021.

Description of alternative performance measures:

- Invoiced Revenue is defined as the amount invoiced to customers in the relevant period.
- Monthly Recurring Revenue (MRR) is defined as the revenue the Group expects to receive on a monthly basis from customers.
- Annual Recurring Revenue or (ARR) is defined as MRR for the applicable month multiplied by twelve.
- EBITDA is defined as the profit/(loss) for the year before net financial income (expenses), income tax, depreciation, and amortization.
- Adjusted EBITDA is defined as EBITDA adjusted for special operating items. Special operating items are material expenses and other material transactions of either a non-recurring nature or special in nature compared to ordinary operational income or expenses and include adjustments for share-based compensation expenses and related payroll taxes, acquisition-related expenses, and listing cost preparations.
- Adjusted cash flow from operating activities is defined as cash flow from operating activities adjusted for cash outflow for acquisition and listing cost and cash effects related to share-based payment.
- Equity ratio is defined as total equity divided by total assets.

Financial Review

- Total revenue and other operating income of \$36.1 million for the second quarter 2022, compared to \$18.4 million for the second quarter 2021, up 96% YoY. The increase of \$17.7 million was driven by growth of paid subscriptions for the Group's products and contribution from acquired entities. For the first half year 2022, total revenue and other operating income amounted to \$70.4 million, up from \$34.6 million for the first half year 2021, representing 104% YoY growth.
- Employee benefit expenses include regular operational payroll and employee related benefit expenses, and in addition, calculated share-based payment expenses and related payroll taxes for the Group's share option program.
 - Total employee benefit expenses amounted to \$17.9 million for the second quarter 2022 whereof calculated share-based payment expenses and related payroll taxes for the Group's share option program accounted for net \$3.2 million. For the corresponding quarter in 2021, total employee benefit expenses amounted to \$1.0 million, due to a net cost reduction effect of \$5.5 million from calculated share-based payment expenses and related payroll taxes for the Group's share option program.
 - The operational payroll and employee related benefit expenses (excluding calculated share-based payment expenses and related payroll taxes) were \$14.7 million in the second quarter 2022 vs. \$6.5 million in the second quarter 2021. The increase of \$8.2 million is attributable to increased number of employees through acquired companies and organic growth.
 - For the first half year 2022, the operational payroll and employee related benefit expenses (excluding calculated share-based payment expenses and related payroll taxes) were \$30.4 million vs. \$12.7 million for the first half year 2021.
 - Number of full-time employee equivalents were 443 by the end the second quarter of 2022 vs. 244 by the end of the second quarter 2021.
- EBITDA amounted to \$3.7 million for the second quarter 2022 compared to \$8.0 million for the second quarter 2021 which included a net cost reduction effect of \$5.5 million from calculated share-based payment expenses and related payroll taxes for the Group's share option program.
- Adjusted EBITDA (adjusted for share-based compensation expenses and related payroll taxes, acquisition-related expenses and listing cost preparations) was \$6.9 million for the second quarter 2022, up 65% YoY. For the first half year 2022, adjusted EBITDA was \$12.6 million, up 61% YoY.
- Depreciation and amortization expenses amounted to \$3.9 million for the second quarter 2022 compared to \$2.1 million for the second quarter 2021. The increase of \$1.8 million is due to amortization of intangible assets from acquired companies within and subsequent to the second quarter 2021. For the first half year 2022, depreciation and amortization expenses were \$7.8 million compared to \$3.7 million.
- Net financial expenses amounted to \$1.1 million for the second quarter 2022, compared to net financial expenses of \$0.7 million for the corresponding quarter 2021. The net financial expenses for the second quarter 2022 were affected by foreign exchange effects on intercompany balances within the Group, and calculated net change in fair value of future performance-based considerations related to acquisitions.

- The \$0.5 million positive effect from income tax for the second quarter 2022 is due to tax effect on amortization of intangible assets. The positive effect from income tax for the first half year 2022 was \$0.9 million.
- During the first half year 2022, total assets decreased by \$45.6 million to \$750.5 million compared to total assets of \$796.1 million by 31 December 2021. The decrease is primarily related to amortization and foreign exchange currency effects relating to intangible assets from acquisitions as well as settlement of contingent and deferred consideration liabilities arising from prior year's acquisitions. Current assets were \$96.4 million by the end of the first half year 2022 whereof cash and cash equivalents represented \$76.6 million.
- Total liabilities decreased during the first half year 2022 by \$53.3 million to \$161.3 million compared to total liabilities of \$ 214.6 million by 31 December 2021. The decrease is primarily related to settlement of contingent and deferred consideration liabilities arising from prior year's acquisitions. Per the end of the first half year 2022, deferred tax liabilities represent \$44.8 million and contract liabilities (deferred revenue) \$59.3 million. Deferred and contingent consideration for acquisitions amounts to \$37.7 million (whereof \$11.7 million are non-current) to be settled in combination of approx. 22% shares and 78% cash.
- Equity ratio per the end of the first half year 2022 was 79% compared to 73% by the end of 2021.
- Cash flow from operations for the second quarter 2022 was \$5.0 million compared to \$3.4 million for the second quarter 2021. Adjusted cash flow from operations was \$5.2 million in the second quarter and \$9.4 million for the first half year 2022.
- Cash flow from investing activities amounted to -\$3.3 million in the second quarter 2022 and -\$36.9 million in the first half year 2022 mainly due to payment for deferred and contingent consideration for prior years acquisitions.
- Cash flow from financing activities of -\$0.3 million in the second quarter and -\$0.6 million in the first half year 2022 due to lease payments.

Second Quarter 2022 - Strategic and Business Highlights

Demand across our business areas has remained high in the second quarter, with June being the strongest sales month to date, and we have seen the momentum continue into the third quarter. Booking and activity on the Clever platform has also increased ahead of the important back-to-school season.

On the Kahoot! platform, we have seen a normalization in free social usage compared to last year's elevated metrics, but more importantly we've continued to see solid momentum in engagement, conversion and sales to professional users in both corporations and schools and districts. During the second quarter, the Kahoot! platform added more quarterly net new paid subscriptions than the same quarter last year, that was heavily affected by the global lockdowns.

Looking ahead, we expect our product roadmap to further accelerate our growth and commercialization in the coming quarters. This includes Marketplace, which represents a large untapped monetization opportunity on our platform. With our large network of users, we have a significant opportunity to further convert from free to paid. Our large and dispersed customer base provides both resilience and great upselling potential, which we are

well positioned to capture through our continuously enhanced value propositions and commercialization efforts, and favorable price points.

In summary, we see the market for learning and audience engagement as fundamentally healthy - and global growth and application of digital learning tools continue to increase at pace, with digital adoption accelerating across industries. Additionally, the strong usage of Clever continues in the world's largest learning market, U.S., signaling a robust, ongoing demand for digital learning solutions. With Kahoot's unique brand and our expanding, innovative and engaging products we remain confident about Kahoot!'s potential for solid growth in 2022 and beyond.

- **Kahoot! at Work** added approx. net 15,000 paid subscriptions, reaching 530,000 this quarter, with a strong finish to the quarter in terms of account expansions, new customers and increasingly larger and more agreements across Kahoot360, Actimo and Motimate platforms. The second quarter also included the largest agreement to date. Kahoot! was recognized as a 'Top Performer' for remote work by peer review site Capterra and as a Leader by G2 in the Sales Training & Onboarding, Microlearning and Audience Response software categories.
- **Kahoot! at School** added approx. net 15,000 paid subscriptions, reaching 410,000 this quarter, with a solid level of renewals and growth in larger Kahoot! EDU license agreements. For the back-to-school season, several new exciting features were announced in the quarter to enhance the teacher's toolkit. The 3rd annual Kahoot! EDU Summit in June, where more than 40,000 educators, including our partners Microsoft, Google and Apple, participated to learn more about new back-to-school deliveries also announced the upcoming new creator tool for teachers for Marketplace. In June, Kahoot! and Clever presence at ISTE, the world's largest expo and conference for EdTech, showcasing back-to-school offerings to educators and school admin from around the world.
- **Clever** delivered a strong second half of the 21-22 school year, with ~60% of US K-12 students logged in through Clever during the period. EBSCO Information Services announced its new partnership with Clever, making its full collection of K-12 resources available on Clever. Clever released a slate of new premium features in the core platform, designed to streamline and optimize data management by districts. As part of the international expansion Clever started the market entry into Canada, initiating service to the first market outside of the US. Expanding the offering, Clever MFA, the newest entry in Clever's portfolio of security products for school districts, is now available in beta. The multi-factor authentication product is designed to help schools protect their data and edtech infrastructure against cyber security threats. Also, early in the third quarter, learning technology company Houghton Mifflin Harcourt, a leading provider of connected K-12 assessment, core curriculum, supplemental programs, and intervention solutions, signed a multi-year agreement with Clever extending through 2027.
- **Kahoot! at Home & Study** added approx. net 10,000 paid subscriptions, reaching 270,000 this quarter, from social users, students, parents and their children. New Kahoot!+ subscription plans are announced for back-to-school for both web and app. In addition Kahoot! Kids was localized into seven more languages with content collections in Spanish, German, Dutch, Norwegian, Simplified Chinese, Traditional Chinese and Ukrainian resulting in high user growth in these languages. Lastly, Kahoot! partnered with Google Meet to improve video call sharing, announced at Google IO and more activity is planned in 2H-22 at the launch.
- **Kahoot! Academy** continued to engage millions of users every month with unique content from premium partners like the World Health Organization (WHO), Disney and Marvel. The upcoming launch of Kahoot! Marketplace is a major step in enriching Kahoot! Academy's offerings where creators can monetize their content and join the

fast-growing, global creator economy, and where anyone can access Kahoot! collections and courses for deeper learning and engagement. This includes the content subscription service Kahoot+ AccessPass. During the second quarter, the pilot launch of Marketplace including creators, customers and transactions took place, preparing for the rollout starting with back-to-school and -work seasons in the third and fourth quarter. This will open new commercial opportunities for publishers, premium brand partners and content creators across all audience segments.

Business Areas

Kahoot! at Work

Used in 97% of Fortune 500 companies, Kahoot! at Work's offerings help customers engage employees and build company culture by delivering unique training and communication experiences, across entire organizations. Kahoot! 360 is a powerful audience engagement offering, including Kahoot!'s bespoke enterprise offering, Kahoot! 360 Spirit, while Motimate is a complete, modern training solution and Actimo is an employee engagement app with particular focus on non-desk workers. Kahoot! at Work occupies a bespoke space at the intersection of employee engagement, corporate learning, training and culture building. The Kahoot! at Work business area stands optimally positioned to respond to multiple workplace scenarios we have seen evolve thanks to a diverse portfolio of solutions and plans that deliver the elements to support thriving corporate cultures now, and in the future of work.

Kahoot! at School

Educators across the world make learning awesome with Kahoot! by tapping into the vast, inherent potential for playful education experiences to unlock every student's learning potential. Kahoot! offerings are used by millions of teachers, hundreds of millions of students and thousands of schools, campuses, universities and districts. Kahoot!'s EDU offering is empowering teachers with a variation of interactive teaching and assessment tools, and features such as Team mode - designed to increase collaboration skills through in-class and virtual learning settings, with Courses bolstering the already considerable opportunities to maximize student engagement through diverse content formats. DragonBox offers school children, families and all learners engaging ways to learn math while Whiteboard empowers teachers to engage students in class and virtually with an interactive whiteboard tool for instant sharing and feedback.

Clever

Born of the desire to save valuable time in the classroom and afford more space for innovative teaching and learning, Clever is a single sign-on portal for teachers and students, and one of the most widely used digital learning platforms with 70% of all U.S. K-12 Schools, with over 23m monthly active students and 1.4m monthly active teachers using the platform. Clever has approximately 800 app partners (500+ paid) on the platform with top 10 partners representing approx. 25% of revenues. Clever's recent innovations include parent/teacher messaging, enabling parents and teachers to communicate seamlessly, and Clever IDM (Identity Management Solutions) for schools. The ongoing focus for Clever remains to lay a robust foundation for growth and commercial added-value for its vast network, including the launch of the click-to-buy App Store and international expansion in 2022. Clever and Kahoot! continue to explore synergies across K-12 schools in the U.S. and to realize the vast potential for Clever to leverage Kahoot!'s global viral footprint to deliver its platform to educators globally.

Kahoot! at Home

Spearheaded by the Kahoot!+ offering, encompassing award-winning Kahoot! DragonBox and Poio apps, as well as language learning app, Drops, Kahoot!'s ad-free platform and apps enables families, students and children to connect and learn in an engaging way at home, either through self-study or family fun. Over 10m are using Kahoot! at Home with over 100 million games played by families. Kahoot! at Home also offers Kahoot!+ Study and Kahoot! Kids. The former seeks to make study more fun, impactful and effective, leveraging Kahoot!'s position as a trusted learning tool for hundreds of millions of participating students, while the latter expands Kahoot!'s demographic relevance with a bespoke, pedagogically robust product to engage a family audience which has played over 100 million kahoots in the last 12 months.

Kahoot! Academy

Kahoot! Academy is a global knowledge platform, online community and marketplace which enables anyone to access premium learning content and high-quality learning resources produced and curated by verified publishers and content creators. Kahoot!+ AccessPass, launched in December 2021, represents the first commercial service on Kahoot!'s global digital marketplace, where verified creators and partners can monetize premium content. By enabling a marketplace, Kahoot!'s platform opens itself to be harnessed by the burgeoning global creator community to promote, sell and monetize their quality content and expertise. Made possible by the singular viral growth and scale of the Kahoot! brand and platform, these developments serve to strategically position Kahoot! to reach a captive and vast global market of educators and learners.

Full Year 2022 Outlook

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

The Kahoot! Group's annual invoiced revenue cycle is influenced by natural seasonality and market dynamics of key business areas, with the main driver being the back-to-school season for Kahoot! and for Clever in the second half of the year.

For the third quarter 2022, invoiced revenue is expected to exceed \$54m, representing approx. 94% YoY growth, with solid cash flow from operations.

Kahoot! Group Ambitions

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

The operational cost base is over the period expected to be converged to approx. 60% of invoiced revenue which indicates approx. 40% cash conversion of invoiced revenue in 2025. The financial ambitions outlined do not depend on any material acquisitions in the period.

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

The information contained in this report has not been audited and may be subject to change.

Please see Kahoot! News on kahoot.com/news to stay up to date on company news and updates.

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About Kahoot!

Kahoot! is on a mission to make learning awesome! We want to empower everyone, including children, students, and employees to unlock their full learning potential. Our learning platform makes it easy for any individual or corporation to create, share, and host learning sessions that drive compelling engagement. Launched in 2013, Kahoot!'s vision is to build the leading learning platform in the world. Since launch, Kahoot! has hosted hundreds of millions of learning sessions with over 8 billion participants (non-unique) in more than 200 countries and regions. The Kahoot! Group includes Clever, the leading US K-12 EdTech learning platform, together with the learning apps DragonBox, Poio, Drops, Actimo, Motimate, and Whiteboard.fi. The Kahoot! Group is headquartered in Oslo, Norway with offices in the US, the UK, France, Finland, Estonia, Denmark, Spain and Poland. Kahoot! is listed on the Oslo Stock Exchange under the ticker KAHOT. Let's play!

Kahoot! Group paid subscription development

(Numbers in thousands)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Paid subscriptions¹	202	270	360	675	760	933	1,015	1,110	1,170	1,210
Work	83	100	105	245	255	403	435	490	515	530
School	91	125	180	230	275	295	335	365	395	410
Home & Study	28	45	75	200	230	234	245	255	260	270

¹Including acquired units from time of acquisition. Actimo were included with 125K in Q4 2020, Drops with 100K in Q4 2020, Whiteboard with 7K in Q1 2021 and Motimate with 130K in Q2 2021.

Kahoot! platform usage development

Overview of active accounts, hosted sessions, and participants (non-unique) on the Kahoot! platform² last twelve months per end of quarter.

Work³

(LTM numbers in millions)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Active accounts	0.3	0.4	0.5	0.5	0.6	0.5	0.6	0.7	0.8	0.8
Hosted sessions	2.7	2.7	3.1	3.9	4.6	4.6	4.9	5.8	6.4	6.4
Participants	18.8	20.5	23.1	27.8	31.5	32.3	35.1	43.4	47.8	47.7
<i>YoY change in millions</i>										
Active accounts	0.0	0.0	0.1	0.1	0.2	0.1	0.1	0.2	0.3	0.3
Hosted sessions	-0.1	-0.1	0.5	1.2	1.9	1.9	1.8	1.9	1.8	1.8
Participants	-0.9	1.1	4.2	9.3	12.7	11.8	12.0	15.6	16.3	15.5

School³

(LTM numbers in millions)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Active accounts	6.0	6.4	6.9	7.6	8.3	8.7	9.1	9.3	9.3	8.8
Hosted sessions	79.0	68.7	76.9	94.3	112.3	129.6	134.0	131.4	125.9	119.7
Participants	877.2	811.9	879.9	1,005.5	1,134.9	1,341.2	1,381.5	1,406.6	1,372.3	1,321.3
<i>YoY change in millions</i>										
Active accounts	1.1	1.3	1.5	1.9	2.3	2.3	2.2	1.7	0.9	0.1
Hosted sessions	7.9	-5.8	0.7	16.8	33.3	60.9	57.2	37.1	13.6	-10.0
Participants	129.3	36.6	93.8	180.6	257.7	529.3	501.6	401.1	237.4	-19.8

Home & Study³

(LTM numbers in millions)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Active accounts	10.4	13.5	14.2	16.7	19.3	19.7	20.6	20.9	19.8	18.4
Hosted sessions	135.9	138.8	143.8	152.2	162.0	169.3	175.3	173.2	164.7	162.0
Participants	408.8	412.7	436.1	458.9	452.9	481.1	510.5	526.5	496.3	474.8
<i>YoY change in millions</i>										
Active accounts	2.2	4.8	5.1	7.0	8.9	6.3	6.5	4.2	0.6	-1.4
Hosted sessions	27.3	19.3	19.4	21.5	26.1	30.4	31.5	21.0	2.7	-7.3
Participants	119.0	98.5	115.1	114.3	44.1	68.4	74.4	67.5	43.4	-6.4

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

³ Category is based on account registration data.

Region

(LTM numbers in millions)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Active accounts	16.8	20.3	21.5	24.8	28.2	29.0	30.3	30.9	29.9	28.0
USA and Canada	8.6	9.5	9.6	11.2	12.2	12.8	13.1	13.4	12.7	11.6
Europe	5.1	6.5	6.7	7.4	8.9	8.8	9.3	9.8	9.6	9.4
Asia Pacific	1.6	2.1	2.4	2.6	2.8	2.7	3.2	3.3	3.3	3.3
Latin America and The Caribbean	0.9	1.4	1.8	2.4	2.9	3.2	3.2	3.1	2.9	2.5
Africa, The Middle East, and India	0.5	0.8	0.9	1.2	1.4	1.4	1.4	1.4	1.3	1.2
Hosted sessions	217.6	210.2	223.8	250.5	278.9	303.5	314.2	310.5	297.1	288.1
USA and Canada	110.3	97.8	101.8	115.6	129.3	146.3	149.1	142.0	131.9	123.6
Europe	64.5	64.3	66.2	71.9	80.3	84.5	88.4	91.7	90.8	93.5
Asia Pacific	22.0	23.3	24.6	25.5	26.4	26.8	30.7	32.6	33.2	33.3
Latin America and The Caribbean	12.7	14.7	18.6	22.6	26.6	29.7	29.7	28.8	26.4	23.6
Africa, The Middle East, and India	8.0	10.0	12.5	14.8	16.4	16.2	16.3	15.4	14.8	14.1
Participants (non-unique)	1,305	1,245	1,339	1,492	1,619	1,855	1,927	1,976	1,916	1,844
USA and Canada	742	655	683	760	818	973	1,005	1,012	969	909
Europe	344	347	360	392	423	472	493	525	519	526
Asia Pacific	126	128	143	152	160	171	191	207	211	213
Latin America and The Caribbean	59	73	99	124	148	168	168	164	152	134
Africa, The Middle East, and India	34	42	54	65	69	70	70	68	66	62

Financial statements

1. Condensed consolidated interim statement of profit or loss

USD in thousands	Note	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Revenue from contracts with customers	2	35,731	18,162	70,097	34,344	91,016
Other operating income	2	332	249	349	249	249
Total revenue and other operating income		36,063	18,411	70,446	34,593	91,265
Cost of sales		1,681	1,707	3,439	3,052	7,029
Employee benefit expenses		17,906	1,016	36,040	10,659	43,235
Other operating expenses		12,786	7,674	24,243	14,045	36,351
Operating profit/(loss) before deprec. and amortiz. (EBITDA)		3,690	8,014	6,724	6,837	4,650
Amortization of intangible assets		3,419	1,775	6,894	3,169	8,848
Depreciation		453	277	914	528	1,357
Operating profit/(loss) (EBIT)		(182)	5,962	(1,084)	3,140	(5,555)
Financial income		83	230	124	325	432
Financial expenses		(212)	(50)	(279)	(95)	(205)
Net change in fair value of financial instruments		5,090	(593)	4,059	(1,321)	2,594
Net foreign exchange gains (losses)		(6,027)	(262)	(5,751)	(289)	(984)
Net financial income (expenses)		(1,066)	(675)	(1,847)	(1,380)	1,837
Profit/(loss) before income tax		(1,248)	5,287	(2,931)	1,760	(3,718)
Income tax		(456)	(339)	(937)	(594)	(1,838)
Profit/(loss) for the period		(792)	5,626	(1,994)	2,354	(1,880)
Profit/(loss) for the period attributable to:						
Equity holders of Kahoot! ASA		(792)	5,626	(1,994)	2,354	(1,880)
Earnings per share in USD						
Basic earnings per share		(0.00)	0.01	(0.00)	0.01	(0.00)
Diluted earnings per share		(0.00)	0.01	(0.00)	0.01	(0.00)

Condensed consolidated interim statement of comprehensive income or loss

USD in thousands	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Profit/(loss) for the period	(792)	5,626	(1,994)	2,354	(1,880)
Other comprehensive income/(loss):					
Items that might be subsequently reclassified to profit or loss:					
Exchange differences on translation of foreign operations	(5,499)	91	(6,680)	(3,680)	(8,751)
Total comprehensive income/(loss) for the period	(6,291)	5,717	(8,674)	(1,326)	(10,631)
Total comprehensive income/(loss) attributable to:					
Equity holders of Kahoot! ASA	(6,291)	5,717	(8,674)	(1,326)	(10,631)

2. Condensed consolidated interim balance sheet

USD in thousands	Note	30.06.2022	31.12.2021
ASSETS			
Goodwill		485,295	494,430
Intangible assets		163,086	173,284
Property, plant and equipment		814	633
Right-of-use assets		4,920	2,928
Total non-current assets		654,115	671,275
Trade receivables		14,592	11,764
Other current assets		5,229	5,304
Cash and cash equivalents		76,587	107,765
Total current assets		96,408	124,833
TOTAL ASSETS		750,523	796,108
EQUITY AND LIABILITIES			
Share capital	3	5,737	5,707
Share premium		661,724	651,581
Share-based payments reserves		23,164	16,963
Foreign currency translation reserves		(17,408)	(10,728)
Accumulated deficit		(84,002)	(82,008)
Total equity		589,215	581,515
Lease liabilities		3,423	2,044
Deferred tax liability		44,764	46,288
Other non-current liabilities		11,947	40,565
Total non-current liabilities		60,134	88,897
Lease liabilities		1,692	1,007
Current tax liabilities		44	4
Trade payables		4,998	5,359
Contract liabilities (deferred revenue)		59,287	60,772
Other current liabilities		35,153	58,554
Total current liabilities		101,174	125,696
Total liabilities		161,308	214,593
TOTAL EQUITY AND LIABILITIES		750,523	796,108

3. Condensed consolidated interim statement of changes in equity

USD in thousands	Share capital	Share premium	Share-based payment reserves	Foreign currency translation reserves	Accumulated deficit	Total equity
Balance at 1 January 2021	5,228	357,383	5,542	(1,977)	(80,128)	286,048
Profit/(loss) for the period	-	-	-	-	(1,880)	(1,880)
Currency translation differences	-	-	-	(8,751)	-	(8,751)
Total comprehensive income/(loss) for the period	-	-	-	(8,751)	(1,880)	(10,631)
Issuance of shares	479	302,700	-	-	-	303,179
Transaction costs on equity issues	-	(8,502)	-	-	-	(8,502)
Share option program	-	-	11,421	-	-	11,421
Balance at 31 December 2021	5,707	651,581	16,963	(10,728)	(82,008)	581,515
Profit/(loss) for the period	-	-	-	-	(1,994)	(1,994)
Currency translation differences	-	-	-	(6,680)	-	(6,680)
Total comprehensive income/(loss) for the period	-	-	-	(6,680)	(1,994)	(8,674)
Issuance of shares	30	10,186	-	-	-	10,216
Transaction costs on equity issues	-	(43)	-	-	-	(43)
Share option program	-	-	6,201	-	-	6,201
Balance at 30 June 2022	5,737	661,724	23,164	(17,408)	(84,002)	589,215

USD in thousands	Share capital	Share premium	Share-based payment reserves	Foreign currency translation reserves	Accumulated deficit	Total equity
Balance at 1 January 2021	5,228	357,383	5,542	(1,977)	(80,128)	286,048
Profit/(loss) for the period	-	-	-	-	2,354	2,354
Currency translation differences	-	-	-	(3,680)	-	(3,680)
Total comprehensive income/(loss) for the period	-	-	-	(3,680)	2,354	(1,326)
Issuance of shares	319	222,273	-	-	-	222,592
Transaction costs on equity issues	-	(8,166)	-	-	-	(8,166)
Share option program	-	-	3,909	-	-	3,909
Balance at 30 June 2021	5,547	571,490	9,451	(5,657)	(77,774)	503,057

4. Condensed consolidated interim statement of cash flows

USD in thousands	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Cash flows from operating activities					
Profit/(loss) before income tax	(1,248)	5,287	(2,931)	1,760	(3,718)
<i>Adjustments for</i>					
Depreciation and amortization	3,872	2,052	7,807	3,697	10,205
Share-based payments expense	2,894	1,790	6,201	3,909	11,421
Change in trade receivables	(3,487)	(828)	(3,371)	(1,951)	(781)
Change in contract liabilities	1,455	2,550	(388)	5,285	15,757
Change in trade payables	441	565	(246)	1,025	2,752
Change in other current assets and other liabilities	1,204	(8,181)	1,691	(5,098)	(14,965)
Taxes paid	-	-	-	-	(6)
Interest received	83	230	124	325	432
Financial expenses	(212)	(50)	(279)	(95)	(205)
Net cash flow from operating activities	5,002	3,415	8,608	8,857	20,892
Cash flows from investing activities					
Payment for acquisition of subsidiary, net of cash acquired ¹	(2,945)	(11,974)	(35,821)	(19,390)	(364,145)
Payment for intangible assets	(125)	-	(581)	-	(562)
Payment for property, plant and equipment	(244)	(43)	(545)	(83)	(216)
Net cash from investing activities	(3,314)	(12,017)	(36,947)	(19,473)	(364,923)
Cash flows from financing activities					
Proceeds from issuance of ordinary shares	-	204,038	-	204,038	205,077
Transaction costs on issuance of ordinary shares	(16)	(8,166)	(44)	(8,166)	(8,502)
Repayments of lease liabilities	(238)	(230)	(489)	(443)	(991)
Paid interest on lease liabilities	(24)	(28)	(50)	(61)	(89)
Net cash from financing activities	(278)	195,614	(583)	195,368	195,495
Net increase/(decrease) in cash and cash equivalents	1,410	187,012	(28,922)	184,752	(148,536)
Cash and cash equivalents beginning of the period	76,868	253,614	107,765	256,120	256,120
Effects of exchange rate changes on cash and cash equiv.	(1,690)	(139)	(2,256)	(385)	181
Cash and cash equivalents as of end of period	76,587	440,487	76,587	440,487	107,765

¹ Cash outflow for acquisitions of subsidiaries relates to contingent consideration liabilities (earn-outs) paid in the first half of 2022 for acquisitions in 2020 and 2021. For further information please see note 4 in the 2021 Annual Report.

Notes to the interim consolidated financial statements

Note 1 - General accounting policies

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

The condensed consolidated interim financial statements consist of Kahoot! ASA and its subsidiaries. As a result of rounding differences, numbers or percentages may not add up to the total.

These interim condensed consolidated financial statements for the six months ending 30 June 2022, have been prepared in accordance with IAS 34 Interim Financial Reporting, and authorized for issue by the board of directors on 10 August 2022. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2021.

The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021.

Note 2 - Revenue and segments

The Kahoot! Group has one segment: software to make learning awesome. The market for Kahoot!'s software is global. The chief decision maker will therefore follow up revenue and profitability on a global basis. This is consistent with the internal reporting submitted to the chief operating decision maker responsible for allocating resources and assessing performance as well as making strategic decisions.

USD in thousands	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Subscription revenue - recognized over time	35,451	18,041	69,634	34,042	90,081
Other revenue - recognized at point in time	280	121	463	302	935
Total revenue from contracts with customers	35,731	18,162	70,097	34,344	91,016
Other operating income	332	249	349	249	249
Total revenue and other operating income	36,063	18,411	70,446	34,593	91,265

Note 3 - Equity

Kahoot! ASA only has one class of shares, and all shares have the same voting rights. The shareholders are entitled to receive dividends as and when declared and are entitled to one vote per share at General Meetings of the Company.

	Number of shares	Share capital (NOK)	Share capital (USD)
Balance at 1 January 2022	486,581,479	48,658,148	5,707,355
Issued during the year	2,632,162	263,216	29,750
Balance at 30 June 2022	489,213,641	48,921,364	5,737,104

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

At the Annual General Meeting of Kahoot! ASA on 27 May 2022, the Board of Directors were authorized to increase the share capital by up to NOK 9 million through the issuance of up to 90 million new shares in connection with (i) mergers, acquisitions, equity raises and (ii) exercise of share options. The Board of Directors were authorized to acquire treasury shares with a total nominal value of up to NOK 1.5 million.

Information relating to the Group's Employee Option Plan, including details of options issued, exercised, and lapsed during the financial year and options outstanding at the end of each reporting period, is set out in note 17 in the 2021 Annual Report. The table below shows the development in the Company's share capital in 2022.

Date of registration	Type of change	Change in share capital (NOK)	New share capital (NOK)	Nominal value (NOK)	Number of total issued shares	Subscription price per share (NOK)
01 Mar 22	Share capital increase	256,967	48,915,115.00	0.10	489,151,150	¹⁾
10 Jun 22	Share capital increase	6,249	48,921,364.10	0.10	489,213,641	²⁾

¹⁾ Share issue with NOK subscription price: 64.77/48.08/47.06/38.24/36.42/34.55/32.34/31.63

²⁾ Share issue with NOK subscription price: 64.77/48.08/47.06/31.63/0.10

Note 4 - Shareholder information per 30 June 2022

	More than 41,000 shareholders per 30 June 2022	Shares (m)	%
1	Goldman Sachs International	45.1	9.4 %
2	Glitrafjord AS	41.2	8.4 %
3	Datum AS	28.0	6.1 %
4	J.P. Morgan Securities Plc	22.1	5.7 %
5	Creandum III LP	20.0	4.1 %
6	State Street Bank and Trust Comp	14.9	3.7 %
7	Folketrygdfondet	13.9	2.8 %
8	Citigroup Global Markets Inc.	13.5	2.6 %
9	The Northern Trust Comp, London Br	12.1	2.2 %
10	Versvik Invest AS	9.5	2.2 %
11	Newbrott AS	7.6	2.0 %
12	State Street Bank and Trust Comp	7.5	1.6 %
13	Euroclear Bank S.A./N.V.	7.0	1.4 %
14	Datum Invest AS	6.6	1.3 %
15	Citibank, N.A.	6.5	1.3 %
16	JPMorgan Chase Bank, N.A., London	6.2	1.3 %
17	Nordnet Bank AB	6.0	1.2 %
18	Gamification AS	5.2	1.2 %
19	State Street Bank and Trust Comp	5.0	1.1 %
20	The Bank of New York Mellon SA/NV	4.8	1.0 %
	Other	192.2	39.3 %
	Total outstanding shares	489.2	100.0 %
	Outstanding share options	25.0	
	Total no. of shares (fully diluted)	514.2	

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

Note 5 - Related party transactions

In the first half year of 2022, the Group acquired services for \$143K from Glitrafjord AS, a company 100% owned by the CEO.

Note 6 - Events after the balance sheet date

No events that have significantly affected or may significantly affect the operations of the Group have occurred after 30 June 2022.

Responsibility Statement

We confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half of 2022 which have been prepared in accordance with IFRS as adopted by EU and IAS 34 *Interim Financial Reporting*, give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operation. To the best of our knowledge, the interim report for the first half of 2022 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining half of 2022, and major related party transactions.

10 August 2022

Sign

Andreas Hansson
Chair

Sign

Lori Wright
Board member

Sign

Joanne Bradford
Board member

Sign

Stefan Blom
Board member

Sign

Sarah Blystad
Employee representative

Sign

Alexander Remen
Employee representative

Sign

Eilert Hanoa
CEO

Kahoot!

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