

**Kahoot! Group**

# **Q3 2022 Report**

# Kahoot! Group Reports Third Quarter 2022 Financial Results

**OSLO, 3 November 2022 – Kahoot! ASA, (KAHOT) today announced financial results for its fiscal quarter ended 30 September 2022**

- Invoiced revenue \$53.9m, up 94% YoY, Annual Recurring Revenues \$149m, up 20% YoY
- Adjusted EBITDA of \$8.0m, up 35% YoY, adjusted cash flow from operations of \$16.1m, up 117% YoY
- Net 40K increase in paid subscriptions, totaling 1,250K paid subscriptions, up 23% YoY
- Professional subscriptions growth; Kahoot! at Work paid subscriptions 550K, up 26% YoY, Kahoot! at School paid subscriptions 425K, up 27% YoY

*"I'm pleased to see we delivered well in the third quarter against our targets and the changing macro environment. Our solid commercial performance continued with double digit growth across all our customer categories, all-time high adjusted EBITDA, and our scalable operating platform delivering a strong growing operational cash flow.*

*We managed the high-season back-to-school volumes on a consistent quarter-over-quarter operating cost, demonstrating the leverage in our scalable business model, and increasingly effective unit economics and profitable growth. Marking a year since inclusion into Kahoot!, we also celebrate Clever progressing well against both strategic and financial ambitions. Equally important, the quarter saw us develop a powerful lineup of new offerings and solutions, that will support continued growth into 2023 and beyond.*

*Amidst more volatility in global markets, our multiple growth levers, including our unique product suite, diverse customer segments and scalable platform, provides resilience, and lays a healthy foundation for continued expansion in the quarters to come.*

*As the transition to digital learning in school, work and home continues, Kahoot!'s commitment to constant product innovation will prove to be the ultimate differentiator for sustainable and durable commercial success. We remain focused on executing our platform strategy by disciplined investments in our products and technology, leveraging our broad user base, strength of our partner ecosystem and global love brand, to drive growth and monetization."*

*Eilert Hanoa, CEO*

## Third Quarter 2022 - Financial and Operational Highlights

- Invoiced revenue (billings) was \$53.9 million in the third quarter, up 94% YoY, including Clever, which contributed \$29 million. Excluding Clever, invoiced revenue in the third quarter grew \$2.8 million YoY to \$24.9 million, up 13% YoY. Invoiced revenue for the third quarter was impacted by significant stronger USD compared to previous quarters. Approx. 15% of total invoiced revenue for the quarter were in other currencies than USD.
- For the nine months 2022, invoiced revenue grew \$57.6 million YoY to \$125.1 million, up 85%. In the third quarter, the U.S. and Canada as the largest region represented 76% of the Kahoot! Group's invoiced revenue (including Clever).
- Total revenue and other operating income of \$36.6 million, up 55% YoY. For the nine

months 2022, total revenue and other operating income grew \$48.8 million YoY to \$107.0 million, up 84%. The strengthening of the USD in the third quarter impacted the nominal revenue amount in the quarter.

- Annual Recurring Revenue (“ARR”) of \$149 million, up 20% YoY. Clever contributed to approx. \$54 million.
- Total operating expenses (excluding share-based compensation expenses and related payroll taxes) was \$28.5 million in the third quarter, which is in line with the second quarter measured on stable currency exchange rates.
- Adjusted EBITDA (excluding share-based compensation expenses and related payroll taxes, acquisition related expenses and listing cost) of \$8.0 million, up 35% YoY. For the nine months 2022, adjusted EBITDA grew \$6.8 million YoY to \$20.6 million, up 50%.
- Cash flow from operations (excluding payment of listing and acquisition cost, and cash effects related to share-based compensation) of \$16.1 million for the third quarter, up 117% YoY, and \$25.4 million for the nine months 2022, up 43% YoY.
- Cash and cash equivalents as of 30 September 2022, totaled \$86.8 million. The Group has no interest-bearing debt.
- Total number of paid subscriptions reached 1,250,000 across all services, up 23% YoY, representing an organic increase of 40,000 from the previous quarter, with approx. 20,000 on the Kahoot! platform. At the end of the third quarter, Kahoot! at Work reached 550,000 paid subscriptions, Kahoot! at School reached 425,000 paid subscriptions and Kahoot! at Home and Study reached 275,000 paid subscriptions.
- Active accounts on the Kahoot! platform (over the last twelve months) were 26.7 million, with approx. 282 million hosted sessions, and a total of approx. 1.8 billion participants (non-unique) globally.

*“The third quarter displays key attributes of the Kahoot! Group business model - and we are pleased to see good performance against a strong comparison with peak pandemic in the latter part of last year. The quarter represents our 12th successive quarter of positive operating cash flow, and due to effective unit economics and a highly scalable platform we delivered a record-high \$16 million in cash flow from operations, as well as continued strong gross margin of 95% and an all-time high adjusted EBITDA of \$8 million and 22% margin.*”

*A core strength for Kahoot! is the stamina to maintain momentum and constant development through major shifts in market conditions over time, delivering sustainable and profitable growth. We are confident our operating framework and cost base has the potential to yield even stronger efficiency and remain committed to continue nimble operations in the quarters to come. As we prepare for 2023 a key priority is to leverage our flexible set-up and organizational resources to deliver even better commercial results.”*

- Ken Østreng, CFO

## 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	Q3 2022	Q3 2021	YoY	YTD 2022	YTD 2021	YoY	FY 2021 <sup>6</sup>
Total revenue and other operating income	36.6	23.7	55 %	107.0	58.2	84 %	91.3
Cost of sales <sup>1</sup>	1.7	1.3		5.1	4.4		7.0
Employee benefit expenses <sup>2</sup>	15.6	8.7		46.0	21.4		35.2
Other operating expenses <sup>3</sup>	11.2	7.6		35.3	18.7		29.7
Total operating expenses	28.5	17.7	61 %	86.4	44.5	94 %	72.0
Adjusted EBITDA	8.0	6.0	35 %	20.6	13.8	50 %	19.3
Share based compensation expenses <sup>4</sup>	7.5	2.8		17.7	6.7		15.5
Payroll tax share based compensation	0.7	1.4		(3.8)	(4.5)		(7.6)
Acquisition transaction and listing cost	-	3.3		0.2	6.3		6.6
EBITDA	(0.2)	(1.6)		6.6	5.3		4.7
Invoiced revenue	53.9	27.8	94 %	125.1	67.5	85 %	107.2
ARR end of period	149.0	124.0	20 %	149.0	124.0	20 %	133.0
Adjusted EBITDA margin	22.0 %	25.2 %		19.3 %	23.7 %		21.1 %
Cash flow from operating activities <sup>5</sup>	16.1	7.4	117 %	25.4	17.8	43 %	31.3
Cash and cash equivalents end of period	86.8	206.4		86.8	206.4		107.8

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

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

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

<sup>4</sup> Share based compensation expenses increase based on framework authorized by the AGM 27 May 2022

<sup>5</sup> Q3 2022 adjusted for \$0.1 million cash outflow for expenses to, social security cost on share-based payments

<sup>6</sup> 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 \$36.6 million for the third quarter 2022, compared to \$23.7 million for the third quarter 2021, up 55% YoY. The increase of \$12.9 million was driven by growth of paid subscriptions for the Group's products and contribution from acquired entities. For the nine months 2022, total revenue and other operating income amounted to \$107.0 million, up from \$58.2 million for the nine months 2021, representing 84% 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 and RSU program.
  - Total employee benefit expenses amounted to \$23.8 million for the third quarter 2022 whereof calculated share-based payment expenses and related payroll taxes for the Group's share option and RSU program accounted for \$8.2 million. For the corresponding quarter in 2021, total employee benefit expenses amounted to \$12.9 million, whereof calculated share-based payment expenses and related payroll taxes for the Group's share option program accounted for \$4.2 million.
  - The operational payroll and employee related benefit expenses (excluding calculated share-based payment expenses and related payroll taxes) were \$15.6 million in the third quarter 2022 compared to \$8.7 million in the third quarter 2021. The increase of \$6.9 million is attributable to increased number of employees through acquired companies as Clever was consolidated from 1 September 2021 and organic growth.
  - For the nine months 2022, the operational payroll and employee related benefit expenses (excluding calculated share-based payment expenses and related payroll taxes) were \$46.0 million compared to \$21.4 million for the corresponding period of 2021.
  - Number of full-time employee equivalents were 459 by the end the third quarter of 2022 compared to 415 by the end of the third quarter 2021.
- EBITDA amounted to -\$0.2 million for the third quarter 2022 compared to -\$1.6 million for the third quarter 2021.
- Adjusted EBITDA (adjusted for share-based compensation expenses and related payroll taxes, acquisition-related expenses and listing cost preparations) was \$8.0 million for the third quarter 2022, up 35% YoY. For the nine months 2022, adjusted EBITDA was \$20.6 million, up 50% YoY.
- Depreciation and amortization expenses amounted to \$3.9 million for the third quarter 2022 compared to \$2.8 million for the third quarter 2021. The increase of \$1.1 million is due to amortization of intangible assets from the acquisition of Clever with effect from 1 September 2021. For the nine months 2022, depreciation and amortization expenses were \$11.7 million compared to \$6.5 million for the corresponding period of 2021.
- Net financial expenses amounted to \$3.6 million for the third quarter 2022, compared to net financial income of \$1.8 million for the corresponding quarter 2021. The net financial expenses for the third quarter 2022 is mainly due to calculated unrealized foreign exchange effects on intercompany balances within the Group companies caused by the strengthening of USD by 9% vs NOK at the end of Q3 compared to the end of Q2 2022.
- The \$0.4 million positive effect from income tax for the third quarter 2022 is due to tax effect on amortization of intangible assets. The positive effect from income tax for the nine months of 2022 was \$1.4 million.

- During the nine months of 2022, total assets decreased by \$40.8 million to \$755.3 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 and settlement of contingent and deferred consideration liabilities arising from prior year's acquisitions. Current assets were \$113.4 million by the end of the third quarter 2022 whereof cash and cash equivalents represented \$86.8 million.
- Total liabilities decreased during the nine months of 2022 by \$42.6 million to \$172.0 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 third quarter 2022, deferred tax liabilities represent \$44.0 million and contract liabilities (deferred revenue) \$73.9 million. Deferred and contingent consideration for acquisitions amounts to \$35.9 million (whereof \$9.4 million are non-current) to be settled in combination of approx. 22% shares and 78% cash.
- Equity ratio per the end of the third quarter 2022 was 77% compared to 73% by the end of 2021.
- Cash flow from operations for the third quarter 2022 was \$16.0 million compared to \$12.1 million for the third quarter 2021 (the third quarter 2021 included \$6.5 million cash inflow held for employee withholding tax to be paid in the following quarter for exercised employee share options).
- Adjusted cash flow from operations was \$16.1 million for the third quarter 2022 and \$25.4 million for the nine months of 2022. For the corresponding periods in 2021 adjusted cash flow from operations amounted to \$7.4 million and \$17.8 million respectively.
- Cash flow from investing activities amounted to -\$3.6 million in the third quarter 2022 and -\$40.5 million for the nine months of 2022 mainly due to payment for deferred and contingent consideration for prior years acquisitions.
- Cash flow from financing activities of -\$0.5 million for the third quarter and -\$1.0 million for the nine months of 2022 due to payments of lease liabilities.

### Third Quarter 2022 - Strategic and Business Highlights

Demand across our customer categories, including Clever, remained solid in the third quarter, with the back to school season progressing broadly in line with our expectations. As noted in our second quarter report, we continued to see normalization in free social use of the Kahoot! platform, particularly in single-player usage vs live multiplayer sessions, compared to last year's pandemic-induced levels. More importantly, we continue to see commercial momentum driven by growth in engagement, conversion and sales to professional users, especially corporations.

During the third quarter, we continued our longer track record of adding quarterly net new subscriptions, with minimal customer acquisition cost due to our viral model. Professional subscriptions grew organically 26% year over year, which is a solid performance. In the third quarter, net revenue retention among our top 50 key corporate and school/district accounts remained at 125% in the last twelve months. Our sales pipeline for larger team and organization deals is also strong and growing steadily, providing us with a solid foundation for

growth in the coming quarters and beyond, as we look to expand within organizations through our product led growth strategy.

In our third quarter only approx 2.5% of our active users were paid subscribers, hence the commercial potential in Kahoot!'s vast user-base remains very significant. With our large user ecosystem, we have a considerable opportunity to further convert from free to premium subscriptions.

After significant investments into our product suite, we are increasingly running a highly diversified business, with potential to grow across K12 and higher-ed in school, across the corporate and enterprise sector, for personal usage at home, as well as in the emerging area of content. Different user segments represent different commercial potential. Hence, we are focused on adjusting our business models for each area to better yield commercial return.

Looking ahead, we remain focused on executing our multi product roadmap and leveraging our scalable business model to drive profitable growth in the coming quarters. This includes Marketplace, which represents a large untapped monetization opportunity on our platform. While we recognize that there are near term macro related uncertainties, our scalable and lean business model provides us with the resilience, flexibility, and the ability to adjust to a changing environment, while maintaining solid performance that enable us to continue to invest in our long-term strategy.

Digital learning continues to grow and is only becoming more important. The replatforming of education and learning in both work, school and home is set to continue over the long-haul, and the market for learning and audience engagement will continue to develop as global application of digital learning tools increase at pace, across industries and geographies.

- **Kahoot! at Work** added approx. net 20,000 new paid subscriptions, reaching 550,000 this quarter, with growth driven by higher individual and team plans across Kahoot360, Actimo and Motimate. Continuous improvement of the offerings for all use cases including interactive presentations, courses and self-study based on customer feedback and use cases, including new integration for live sharing with Google Meet. Motimate was selected by NRK as their corporate learning platform for 3,400 employees.
- **Kahoot! at School** added approx. net 15,000 new paid subscriptions, reaching 425,000 this quarter, with continued strong growth in Kahoot! EDU institutional license agreements as well as educator upgrades. In addition to the new student-paced game modes (already played by over 5 million educators and learners), Kahoot! began rolling out student passes which empower students to create kahoots on their own, as well as learn independently with the suite of Kahoot! learning apps. As one of the first digital learning platforms, we launched the Kahoot! add-on for Google Classroom, making it possible for millions of educators and learners around the world to discover, create, assign and host interactive learning sessions directly from Google Classroom. Lastly alongside Clever, Kahoot! rose to #3 on Learn Platform's EdTech Top 40 Fall 2022 Report and #4 on the Lightspeed System's 2022 Edtech App Report of most used edtech products.
- **Clever** delivered strong during the important back to school season driven by growth in network, usage and new app partners. Clever added several new paid app partners during the third quarter, resulting in a total of 550+ paid app partners and 850+ overall on the platform. New value enhancing feature releases on the platform included new

self-service capabilities for schools and new ways for teachers to share their personalized digital classrooms with each other. Clever was recognized as #6 on Learn Platform's EdTech Top 40 Fall 2022 Report, and #3 on the Lightspeed System's 2022 Edtech App Report of most used edtech products. Clever also launched its service in Canada, which is the first new market in Clever's internationalization expansion.

- **Kahoot! at Home & Study** added approx. net 5,000 new paid subscriptions, reaching 275,000 this quarter, from social users, students, parents and their children. Kahoot! added Korean to its growing list of languages supported in the product and with localized content. In the last 12 months over 20 million users have selected a new language as their default. The new school year also marked the beginning of the Smart Study campaign which included the introduction of new advanced study modes available with upgrades to Kahoot!+ Study and special offers on the top tier Kahoot!+ Study Max plan. Also updated for back to school
- **Kahoot! Academy** continued to engage tens of millions of users every month with unique and ready to use content from premium partners like NASA, World Health Organization (WHO), Disney and Marvel. During back to school, Kahoot! Marketplace was gradually released to teachers globally, including creation tools and continued improved discover tools, with solid feedback . and has shown great potential during the first months of the early release. During the third quarter we launched the 'Future engineers' partnership with Amazon, a childhood-to-career computer science education program, offering unique content through Kahoot! Academy to discover how computer science and people work together to power the Amazon delivery system.

## 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, and approx. 24m monthly active students and 1.4m monthly active teachers using the platform. The ongoing focus for Clever is to continue building on and scaling its vast network by providing solutions for both schools and edtech app partners that create a digital classroom to love. Clever and Kahoot! continue to extract 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 & Study**

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.

## **Kahoot! Academy**

Kahoot! Academy is a global content platform, community and marketplace which enables anyone to access premium learning content and high-quality learning resources produced by verified publishers and content creators. With Kahoot! marketplace, creators from all over the world can offer their learning resources for sale directly on the Kahoot! platform, either through one-time purchases or through Kahoot!+ AccessPass, Kahoot!'s first content subscription service. By growing its global digital marketplace, Kahoot!'s platform opens itself up to be harnessed by the burgeoning global creator community to monetize their content and expertise, as well as provide a unique offering for those searching for high-quality, ready-to-use learning resources. 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 revised guidance for the remainder of 2022 reflects the current macro conditions.

For the fourth quarter 2022, invoiced revenue is expected in the range between \$50-55m, representing 26-38% YoY growth, with solid cash flow from operations.

For the full year, the updated guidance includes invoiced revenues in the range of \$175-180m with recognized revenues of ~\$147m and adjusted cash flow from operations exceeding \$40m.

## **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](https://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	Q3'22
<b>Paid subscriptions<sup>1</sup></b>	<b>202</b>	<b>270</b>	<b>360</b>	<b>675</b>	<b>760</b>	<b>933</b>	<b>1,015</b>	<b>1,110</b>	<b>1,170</b>	<b>1,210</b>	<b>1,250</b>
Work	83	100	105	245	255	403	435	490	515	530	550
School	91	125	180	230	275	295	335	365	395	410	425
Home & Study	28	45	75	200	230	234	245	255	260	270	275

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

## Kahoot! platform usage development

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

### Work<sup>3</sup>

(LTM numbers in millions)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
<b>Active accounts</b>	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.5</b>	<b>0.6</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>
Hosted sessions	2.7	2.7	3.1	3.9	4.6	4.6	4.9	5.8	6.4	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	46.8
<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	0.3
Hosted sessions	-0.1	-0.1	0.5	1.2	1.9	1.9	1.8	1.9	1.8	1.8	1.4
Participants	-0.9	1.1	4.2	9.3	12.7	11.8	12.0	15.6	16.3	15.5	11.7

### School<sup>3</sup>

(LTM numbers in millions)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
<b>Active accounts</b>	<b>6.0</b>	<b>6.4</b>	<b>6.9</b>	<b>7.6</b>	<b>8.3</b>	<b>8.7</b>	<b>9.1</b>	<b>9.3</b>	<b>9.3</b>	<b>8.8</b>	<b>8.7</b>
Hosted sessions	79.0	68.7	76.9	94.3	112.3	129.6	134.0	131.4	125.9	119.7	116.8
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	1,300.4
<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	-0.4
Hosted sessions	7.9	-5.8	0.7	16.8	33.3	60.9	57.2	37.1	13.6	-10.0	-17.3
Participants	129.3	36.6	93.8	180.6	257.7	529.3	501.6	401.1	237.4	-19.8	-81.1

### Home & Study<sup>3</sup>

(LTM numbers in millions)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
<b>Active accounts</b>	<b>10.4</b>	<b>13.5</b>	<b>14.2</b>	<b>16.7</b>	<b>19.3</b>	<b>19.7</b>	<b>20.6</b>	<b>20.9</b>	<b>19.8</b>	<b>18.4</b>	<b>17.2</b>
Hosted sessions	135.9	138.8	143.8	152.2	162.0	169.3	175.3	173.2	164.7	162.0	158.7
Participants	408.8	412.7	436.1	458.9	452.9	481.1	510.5	526.5	496.3	474.8	452.7
<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	-3.4
Hosted sessions	27.3	19.3	19.4	21.5	26.1	30.4	31.5	21.0	2.7	-7.3	-16.6
Participants	119.0	98.5	115.1	114.3	44.1	68.4	74.4	67.5	43.4	-6.4	-57.7

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

<sup>3</sup> 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	Q3'22
<b>Active accounts</b>	<b>16.8</b>	<b>20.3</b>	<b>21.5</b>	<b>24.8</b>	<b>28.2</b>	<b>29.0</b>	<b>30.3</b>	<b>30.9</b>	<b>29.9</b>	<b>28.0</b>	<b>26.7</b>
USA and Canada	8.6	9.5	9.6	11.2	12.2	12.8	13.1	13.4	12.7	11.6	11.2
Europe	5.1	6.5	6.7	7.4	8.9	8.8	9.3	9.8	9.6	9.4	9.3
Asia Pacific	1.6	2.1	2.4	2.6	2.8	2.7	3.2	3.3	3.3	3.3	2.9
Latin America	0.9	1.4	1.8	2.4	2.9	3.2	3.2	3.1	2.9	2.5	2.2
Africa, Middle East, India	0.5	0.8	0.9	1.2	1.4	1.4	1.4	1.4	1.3	1.2	1.1
<b>Hosted sessions</b>	<b>217.6</b>	<b>210.2</b>	<b>223.8</b>	<b>250.5</b>	<b>278.9</b>	<b>303.5</b>	<b>314.2</b>	<b>310.5</b>	<b>297.1</b>	<b>288.1</b>	<b>281.8</b>
USA and Canada	110.3	97.8	101.8	115.6	129.3	146.3	149.1	142.0	131.9	123.6	120.7
Europe	64.5	64.3	66.2	71.9	80.3	84.5	88.4	91.7	90.8	93.5	96.8
Asia Pacific	22.0	23.3	24.6	25.5	26.4	26.8	30.7	32.6	33.2	33.3	30.3
Latin America	12.7	14.7	18.6	22.6	26.6	29.7	29.7	28.8	26.4	23.6	21.6
Africa, Middle East, India	8.0	10.0	12.5	14.8	16.4	16.2	16.3	15.4	14.8	14.1	12.4
<b>Participants (non-unique)</b>	<b>1,305</b>	<b>1,245</b>	<b>1,339</b>	<b>1,492</b>	<b>1,619</b>	<b>1,855</b>	<b>1,927</b>	<b>1,976</b>	<b>1,916</b>	<b>1,844</b>	<b>1,800</b>
USA and Canada	742	655	683	760	818	973	1,005	1,012	969	909	883
Europe	344	347	360	392	423	472	493	525	519	526	537
Asia Pacific	126	128	143	152	160	171	191	207	211	213	201
Latin America	59	73	99	124	148	168	168	164	152	134	123
Africa, Middle East, India	34	42	54	65	69	70	70	68	66	62	55

# Financial statements

## 1. Condensed consolidated interim statement of profit or loss

USD in thousands	Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Revenue from contracts with customers	2	36,553	23,650	106,650	57,994	91,016
Other operating income	2	-	-	349	249	249
<b>Total revenue and other operating income</b>		<b>36,553</b>	<b>23,650</b>	<b>106,999</b>	<b>58,243</b>	<b>91,265</b>
Cost of sales		1,663	1,348	5,101	4,400	7,029
Employee benefit expenses		23,811	12,928	59,851	23,587	43,235
Other operating expenses		11,229	10,940	35,472	24,985	36,351
<b>Operating profit/(loss) before deprec. and amortiz. (EBITDA)</b>		<b>(150)</b>	<b>(1,566)</b>	<b>6,575</b>	<b>5,271</b>	<b>4,650</b>
Amortization of intangible assets		3,341	2,433	10,234	5,602	8,848
Depreciation		530	364	1,443	892	1,357
<b>Operating profit/(loss) (EBIT)</b>		<b>(4,021)</b>	<b>(4,363)</b>	<b>(5,102)</b>	<b>(1,223)</b>	<b>(5,555)</b>
Financial income		227	173	351	498	432
Financial expenses		(107)	(47)	(386)	(142)	(205)
Net change in fair value of financial instruments		(326)	3,031	3,733	1,710	2,594
Net foreign exchange gains (losses)		(3,408)	(1,332)	(9,159)	(1,622)	(984)
<b>Net financial income (expenses)</b>		<b>(3,614)</b>	<b>1,825</b>	<b>(5,461)</b>	<b>444</b>	<b>1,837</b>
<b>Profit/(loss) before income tax</b>		<b>(7,635)</b>	<b>(2,538)</b>	<b>(10,563)</b>	<b>(779)</b>	<b>(3,718)</b>
Income tax		(446)	(473)	(1,383)	(1,067)	(1,838)
<b>Profit/(loss) for the period</b>		<b>(7,189)</b>	<b>(2,065)</b>	<b>(9,180)</b>	<b>288</b>	<b>(1,880)</b>
Profit/(loss) for the period attributable to:						
Equity holders of Kahoot! ASA		(7,189)	(2,065)	(9,180)	288	(1,880)
Earnings per share in USD						
Basic earnings per share		(0.01)	(0.00)	(0.02)	0.00	(0.00)
Diluted earnings per share		(0.01)	(0.00)	(0.02)	0.00	(0.00)

## Condensed consolidated interim statement of comprehensive income or loss

USD in thousands	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
<b>Profit/(loss) for the period</b>	<b>(7,189)</b>	<b>(2,065)</b>	<b>(9,180)</b>	<b>288</b>	<b>(1,880)</b>
Other comprehensive income/(loss):					
Items that might be subsequently reclassified to profit or loss:					
Exchange differences on translation of foreign operations	(5,263)	(3,474)	(11,943)	(7,154)	(8,751)
<b>Total comprehensive income/(loss) for the period</b>	<b>(12,452)</b>	<b>(5,539)</b>	<b>(21,123)</b>	<b>(6,866)</b>	<b>(10,631)</b>
Total comprehensive income/(loss) attributable to:					
Equity holders of Kahoot! ASA	(12,452)	(5,539)	(21,123)	(6,866)	(10,631)

## 2. Condensed consolidated interim balance sheet

USD in thousands	Note	30.09.2022	31.12.2021
<b>ASSETS</b>			
Goodwill		479,047	494,430
Intangible assets		157,687	173,284
Property, plant and equipment		925	633
Right-of-use assets		4,253	2,928
<b>Total non-current assets</b>		<b>641,912</b>	<b>671,275</b>
Trade receivables		22,440	11,764
Other current assets		4,084	5,304
Cash and cash equivalents		86,831	107,765
<b>Total current assets</b>		<b>113,355</b>	<b>124,833</b>
<b>TOTAL ASSETS</b>		<b>755,267</b>	<b>796,108</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	3	5,737	5,707
Share premium		661,947	651,581
Share-based payments reserves		29,430	16,963
Foreign currency translation reserves		(22,671)	(10,728)
Accumulated deficit		(91,188)	(82,008)
<b>Total equity</b>		<b>583,255</b>	<b>581,515</b>
Lease liabilities		2,895	2,044
Deferred tax liability		43,950	46,288
Other non-current liabilities		9,623	40,565
<b>Total non-current liabilities</b>		<b>56,468</b>	<b>88,897</b>
Lease liabilities		1,552	1,007
Current tax liabilities		38	4
Trade payables		4,656	5,359
Contract liabilities (deferred revenue)		73,887	60,772
Other current liabilities		35,411	58,554
<b>Total current liabilities</b>		<b>115,544</b>	<b>125,696</b>
<b>Total liabilities</b>		<b>172,012</b>	<b>214,593</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>755,267</b>	<b>796,108</b>

### 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	-	-	-	-	(9,180)	(9,180)
Currency translation differences	-	-	-	(11,943)	-	(11,943)
Total comprehensive income/(loss) for the period	-	-	-	(11,943)	(9,180)	(21,123)
Issuance of shares	30	10,413	-	-	-	10,443
Transaction costs on equity issues	-	(47)	-	-	-	(47)
Share option program	-	-	12,467	-	-	12,467
Balance at 30 September 2022	5,737	661,947	29,430	(22,671)	(91,188)	583,255

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	-	-	-	-	288	288
Currency translation differences	-	-	-	(7,154)	-	(7,154)
Total comprehensive income/(loss) for the period	-	-	-	(7,154)	288	(6,866)
Issuance of shares	441	278,230	-	-	-	278,671
Transaction costs on equity issues	-	(8,387)	-	-	-	(8,387)
Share option program	-	-	6,779	-	-	6,779
Balance at 30 September 2021	5,669	627,226	12,321	(9,131)	(79,840)	556,245

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

USD in thousands	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
<b>Cash flows from operating activities</b>					
Profit/(loss) before income tax	(7,635)	(2,538)	(10,563)	(779)	(3,718)
<i>Adjustments for</i>					
Depreciation and amortization	3,871	2,797	11,677	6,494	10,205
Share-based payments expense	6,265	2,870	12,467	6,779	11,421
Change in trade receivables	(8,027)	(270)	(11,399)	(2,221)	(781)
Change in contract liabilities	15,275	3,687	14,887	8,972	15,757
Change in trade payables	(287)	258	(533)	1,283	2,752
Change in other current assets and other liabilities	6,416	5,151	8,107	53	(14,965)
Taxes paid	(13)	(6)	(13)	(6)	(6)
Interest received	227	173	351	498	432
Financial expenses	(107)	(47)	(386)	(142)	(205)
<b>Net cash flow from operating activities</b>	<b>15,985</b>	<b>12,075</b>	<b>24,595</b>	<b>20,931</b>	<b>20,892</b>
<b>Cash flows from investing activities</b>					
Payment for acquisition of subsidiary, net of cash acquired <sup>1</sup>	(3,196)	(245,185)	(39,017)	(264,575)	(364,145)
Payment for intangible assets	(129)	(561)	(710)	(561)	(562)
Payment for property, plant and equipment	(239)	(73)	(784)	(156)	(216)
<b>Net cash from investing activities</b>	<b>(3,564)</b>	<b>(245,819)</b>	<b>(40,511)</b>	<b>(265,292)</b>	<b>(364,923)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issuance of ordinary shares	(1)	819	(1)	204,856	205,077
Transaction costs on issuance of ordinary shares	(4)	-	(48)	(8,166)	(8,502)
Repayments of lease liabilities	(416)	(258)	(905)	(701)	(991)
Paid interest on lease liabilities	(44)	(29)	(94)	(90)	(89)
<b>Net cash from financing activities</b>	<b>(465)</b>	<b>532</b>	<b>(1,048)</b>	<b>195,899</b>	<b>195,495</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,956</b>	<b>(233,212)</b>	<b>(16,964)</b>	<b>(48,462)</b>	<b>(148,536)</b>
Cash and cash equivalents beginning of the period	76,587	440,487	107,765	256,120	256,120
Effects of exchange rate changes on cash and cash equiv.	(1,711)	(872)	(3,970)	(1,255)	181
<b>Cash and cash equivalents as of end of period</b>	<b>86,831</b>	<b>206,403</b>	<b>86,831</b>	<b>206,403</b>	<b>107,765</b>

<sup>1</sup> Cash outflow for acquisitions of subsidiaries relates to contingent and deferred consideration liabilities paid in the first three quarters 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 nine months ending 30 September 2022, have been prepared in accordance with IAS 34 Interim Financial Reporting, and authorized for issue by the board of directors on 2 November 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	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Subscription revenue - recognized over time	36,336	23,530	105,970	57,572	90,081
Other revenue - recognized at point in time	217	120	680	422	935
<b>Total revenue from contracts with customers</b>	<b>36,553</b>	<b>23,650</b>	<b>106,650</b>	<b>57,994</b>	<b>91,016</b>
Other operating income	-	-	349	249	249
<b>Total revenue and other operating income</b>	<b>36,553</b>	<b>23,650</b>	<b>106,999</b>	<b>58,243</b>	<b>91,265</b>

### 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	2,671,345	267,135	30,137
Balance at 30 September 2022	489,252,824	48,925,282	5,737,491

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.

For information relating to the Group's Employee Option and RSU Plan, please see the Guidelines for salary and other remuneration approved by the Annual General meeting on 27 May 2022 and 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	256,967.10	48,915,115.00	0.10	489,151,150	<sup>1)</sup>
10 Jun 22	Share capital increase	6,249.10	48,921,364.10	0.10	489,213,641	<sup>2)</sup>
14 Sep 22	Share capital increase	3,918.30	48,925,282.40	0.10	489,252,824	<sup>3)</sup>

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

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

<sup>3)</sup> Share issue with NOK subscription price: 64.77/48.08/47.06/31.63

## Note 4 - Shareholder information per 30 September 2022

More than 39,000 shareholders per 30 September 2022	Shares (m)	%
JPMorgan Chase Bank	44.3	9.0 %
Glitrafjord AS	41.2	8.4 %
J.P. Morgan Securities Plc	29.5	6.0 %
Datum AS	28.0	5.7 %
Creandum III LP	20.0	4.1 %
Folketrygdfondet	14.1	2.9 %
Citigroup Global Markets Inc.	13.5	2.8 %
State Street Bank and Trust Comp	12.7	2.6 %
The Northern Trust Comp, London Br	10.4	2.1 %
State Street Bank and Trust Comp	8.2	1.7 %
Versvik Invest AS	8.0	1.6 %
Newbrott AS	7.6	1.6 %
Datum Invest AS	6.6	1.3 %
JPMorgan Chase Bank, N.A., London	6.5	1.3 %
Citibank, N.A.	6.2	1.3 %
Nordnet Bank AB	5.9	1.2 %
Gamification AS	5.2	1.1 %
J.P. Morgan SE	5.2	1.1 %
Skandinaviska Enskilda Banken AB	4.7	1.0 %
J.P. Morgan SE	4.6	0.9 %
Other	206.9	42.3 %
<b>Total outstanding shares</b>	<b>489.3</b>	<b>100.0 %</b>
Outstanding share options / RSUs	41.1	
<b>Total no. of shares (fully diluted)</b>	<b>530.3</b>	

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

## Note 5 - Related party transactions

In the nine months of 2022, the Group acquired services for \$193K 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 September 2022.

**Kahoot!**

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