

# **Kahoot! ASA**

Q1 2023 Presentation

4 May 2023

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**4** QUALITY  
EDUCATION



Driven by our values and our purpose, we are on a mission to improve lifelong learning by building the leading learning and engagement platform in the world



# Kahoot! Group today



Kahoot! is a global learning platform company empowering everyone to unlock their full learning potential

## OFFERINGS

### Kahoot!

Kahoot! learning and engagement platform

### Clever

Clever K-12 EdTech platform

Learning apps DragonBox, Poio, Drops, Actimo, Motimate, and Whiteboard.fi.

## \$173m

billings LTM Q1 2023

## \$55m

cash EBITDA LTM Q1 2023

## \$152m

revenue LTM Q1 2023

## 32%

cash EBITDA margin as % of billings

## THE K!REW

The Kahoot! Group has more than 500 K!rew members; with over half the K!rew working on innovation and product development



## 9bn

participants (non unique) on the Kahoot! platform since launch 2013

## 1.35m

paid subscriptions

# Financial highlights Q1 2023



## REVENUE

**\$40.5m**

up 18% YoY

### Solid start to the year with continued double digit growth

Recognized revenue of \$40.5m, up 18% YoY

Billings (invoiced revenue) of \$37.6m, up 11% YoY (excl. Clever, billings grew 14% YoY to \$28.0m)

## PAID SUBSCRIPTIONS

**1.35m**

up 15% YoY, with 35K net new paid subscriptions QoQ

### Continued subscription growth with low acquisition costs thanks to our viral model

Net new 35K paid subscriptions, totaling 1.35m paid subscriptions, up 15% YoY

Professional users net new 30K from Kahoot! Work and School, Actimo and Motimate

### Disciplined cost base, strong profitability with improving margins

Total operating expenses\* of \$30.5 million, up 6% YoY

Adjusted EBITDA of \$10m, up 75% YoY, representing a margin of 25% versus 17% in Q1 2022

### Highly scalable Kahoot! platform

Adjusted cash flow from operations of \$8.4m, up 100% YoY, a operating cash flow margin of 22%

Free cash flow of \$7.8m, up 105% YoY, a free cash flow margin of 21%

## FREE CASH FLOW

**\$7.8m**

up 105% YoY

### Solid financial position

Cash and cash equivalents per the end of Q1, totaled \$88.7 million

The Group has no interest-bearing debt

# Powering engaging learning for all



## Commercial

Engaging corporate training and communication solutions for all employees



Kahoot!  
**AT WORK**  

Kahoot! used in **97%** of Fortune 500 Companies

**40m+** participants on professional sessions LTM

## Education

Learning platform powered by engagement and learning tools for teachers and students



Kahoot!  
**AT SCHOOL**  **Clever**

**8m+** teachers on the platform LTM

**~75%+** of U.S. K12 schools use Clever

## Consumer & Experience

Social learning and global community and marketplace for creators and learners



Kahoot!  
**AT HOME** 

**140m+** hosted sessions with

**350m+** participating players LTM

# Business highlights Q1 2023



## PROFESSIONAL USERS

**+30K**

net new professional subscriptions  
QoQ, up 15% YoY

## Commercial - continued demand for easy to use and affordable learning tools for multiple use cases and corporations of all sizes

Net 15K new paid subscriptions added, reaching approx. 595K in paid subscriptions, up 16% YoY  
Continued growth across our Commercial offerings with good traction across all sales channels  
Positive development towards the end of the quarter, continued into Q2  
Launched Kahoot 360 “Story”, an interactive storytelling tool for creating asynchronous learning experiences

## LTM NET RETENTION (USD)

**+120%**

top 50 key Enterprise and  
School/District accounts

## Education - expanding classroom engagement through student led experiences

Net 15K new paid subscriptions added, reaching approx. 450K in paid subscriptions, up 14% YoY  
Further development of our student-led game mode offering with the launch of “Tallest Tower”  
Introduced Kahoot! EDU Pro, a new top tier commercial plan and upsell for schools, districts and higher ed

## Clever - platform growth with focus on improving profitability

Growing to a total of 610+ paid app partners and 920+ overall on the platform  
Now 25m monthly active students across 97,000 U.S. K-12 schools  
Growing the network and rolling-out of premium offerings ahead of the back-to-school season

## CLEVER STUDENT MAU'S

**25m**

in over 97,000 U.S. K-12 schools

## Consumer & Experience - aligning and unifying offerings under Kahoot!

Net 5K new paid subscriptions added, reaching approx. 300K in paid subscriptions, up 15% YoY  
Launched the new Kahoot! Kids app, a one-stop-shop for engaging and entertaining learning games  
Marketplace improved with new features for content creators and discovery functionality, preparing for launch of content creation channels

# New and existing customers in Q1

K!

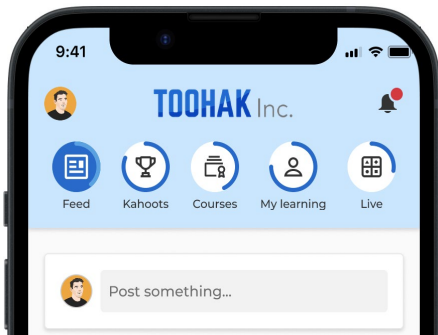
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# Continuous improvement of live and asynchronous employee experience, communication and training

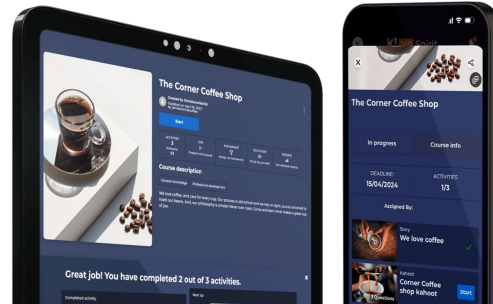
## Connect and drive engaging corporate learning at scale

The new Kahoot! 360 Employee Experience app (launch Q2)



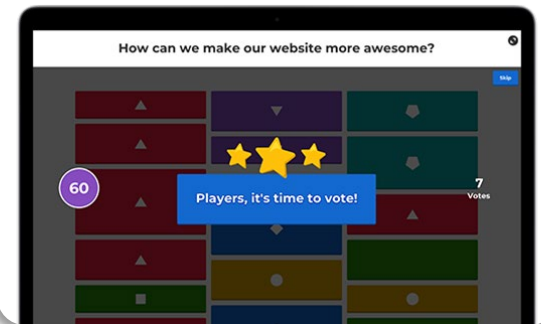
## Even more impactful asynchronous learning experiences

Improved tools to build learning content for all kinds of learning with Story in Kahoot! 360 courses



## Strengthening live and hybrid collaboration and engagement

Further improving engagement tools for larger audiences



# Further elevating student engagement and bringing even more value to schools, districts and higher ed

## Elevated classroom engagement and activity

New game experiences, personalization and study tools for all levels, K-12 to HigherEd



## Improved teacher toolbox, classroom tools and reports

Better and new question types for learning and discussion



## Expanding commercial plan for schools, districts and higher ed

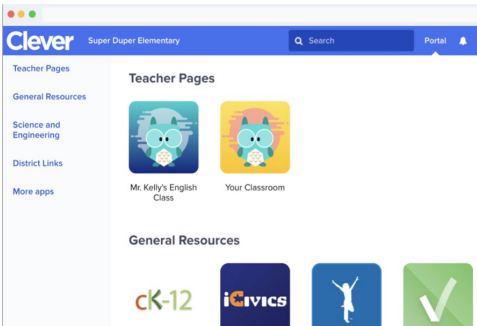
Premium features for school districts, teachers and students

**K!EDU****Pro**

# Continuously strengthening Clever's commercial offerings and reach

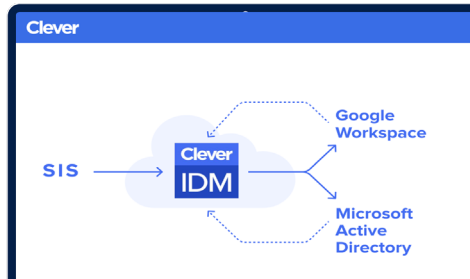
## Continuous student activity growth and engagement

25m monthly active students on Clever across 97,000 U.S. K-12 schools



## Enhanced commercial offerings for schools and districts

Clever+ now includes MFA and IDM with SSO support for Microsoft Azure ID



## Further growing the platform, connecting more educational applications

Over 610 paid app partners and over 920 overall on the platform

New on Clever



# Engaging learning offerings for kids, parents, families and students

## Extended learning offerings to pre-schoolers

Kahoot! Kids app, premium offering for kids and parents



## Improved self-study and creation tools for all students

Kahoot!+ Study, free and premium subscriptions



## Expanding Marketplace opportunity for creator community

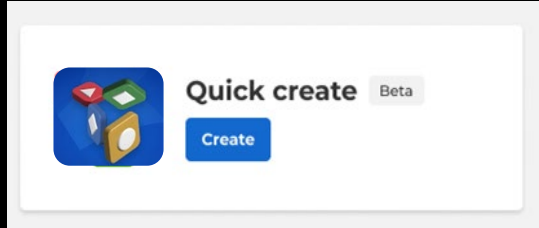
New features for content creators, discovery and search for content creator subscription channels



Coming soon

**Enabling faster content creation, better presentations, more engaging learning and self study**

The Kahoot! experience enhanced with AI based features



# Kahoot! strategic focus areas



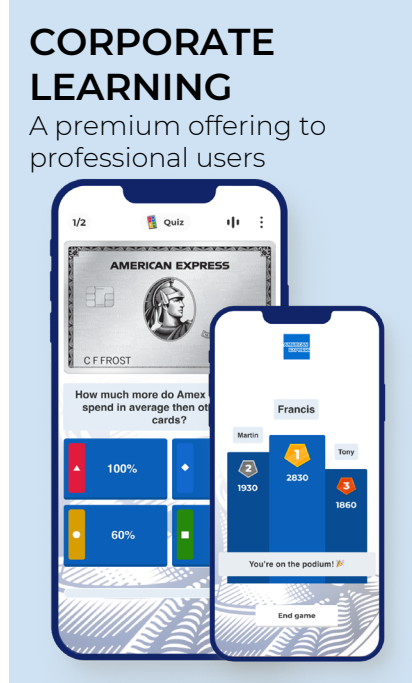
## ENGAGING LEARNING

Continuous additions to be the most engaging platform



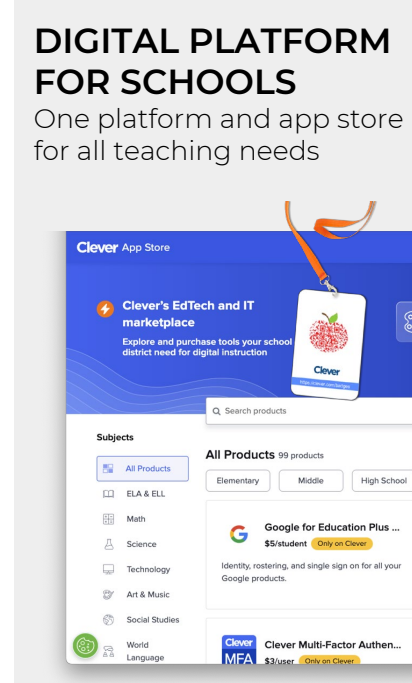
## CORPORATE LEARNING

A premium offering to professional users



## DIGITAL PLATFORM FOR SCHOOLS

One platform and app store for all teaching needs






## PREMIUM CONTENT OFFERING

Premium, ready-made content for every learning need



**Kahoot! marketplace** **Kahoot! ACADEMY**

# Continued profitable growth

-  Continued scalable growth
-  Expanding profitability
-  Solid cash flow generation and disciplined capital allocation

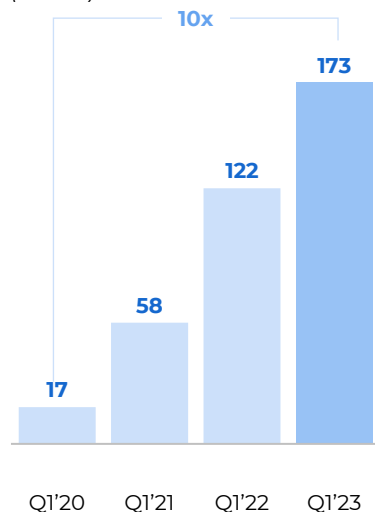
# Continued profitable growth

## Proven scalable business model



### Billings LTM

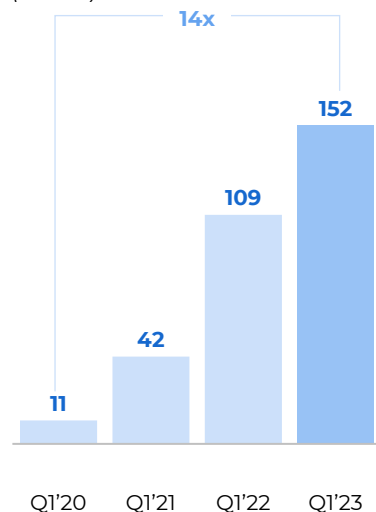
(USDm)



- Billing driven by organic growth in number of paid subscriptions and effect from acquired companies

### Recognized revenue LTM

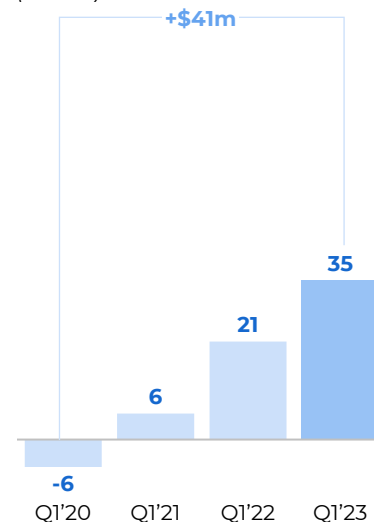
(USDm)



- Revenue growth deriving from recognition of billed prepaid annual subscriptions

### Adjusted EBITDA LTM<sup>1</sup>

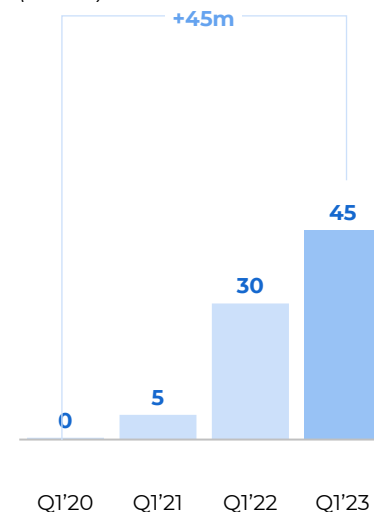
(USDm)



- Continued improvement in adjusted EBITDA following revenue growth and prudent cost development

### Free cash flow LTM<sup>1,2</sup>

(USDm)



- Solid free cash flow development following the scalable business model with marginal Capex

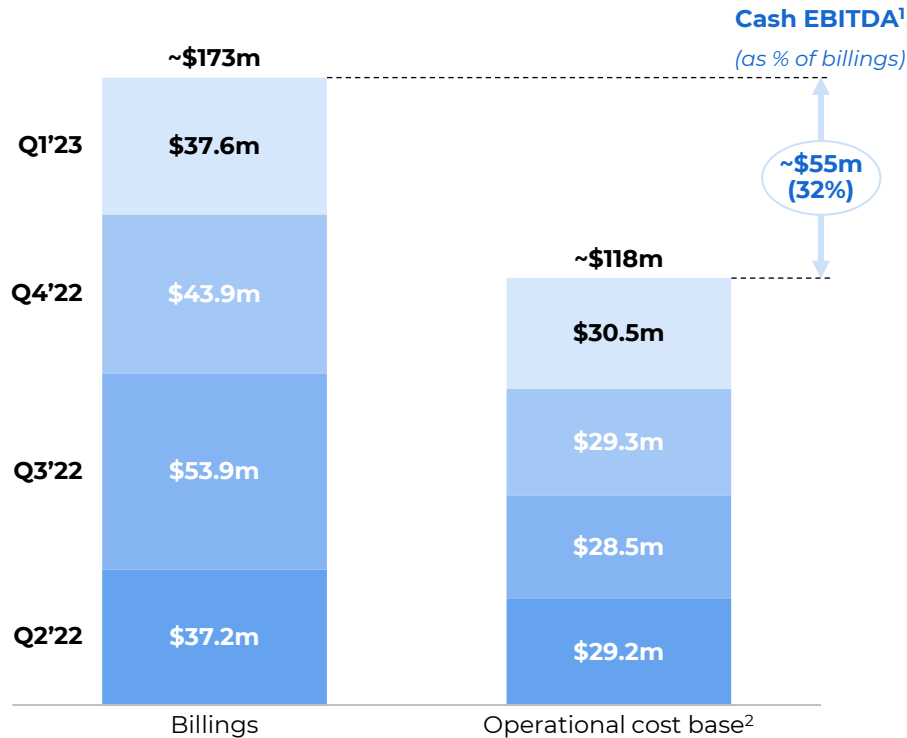
<sup>1</sup> Adjusted for special operating items. Special operating items are material expenses and other material transactions of either a non-recurring nature or special in nature compared to ordinary operational income or expenses and include adjustments for share based compensation expenses and related payroll taxes, acquisition related expenses, and listing cost preparations.

<sup>2</sup> Cash flow from operations minus capex excluding payments for acquisitions (~\$0.1m in 2020, ~\$0.0m in 2021, ~\$0.5m in 2022 and ~\$1.5m in 2023).



# Kahoot! Group operating run-rate

## Scalable operating model



### Four quarter operating run rate visualizes the scalability in the Kahoot! operating model

- Operating model leverage with continued modest QoQ growth of the operational cost base
- Low customer acquisition cost through conversion of existing free users on the platform to paid subscribers
- Scalable platform supporting all customer categories globally, with infrastructure cost for both free and paid users included in the cost base
- Capital light business model with minimal capex required to support scale of the operations

<sup>1</sup> Billings minus total operational cost base

<sup>2</sup> Not including share-based payment expenses and related payroll taxes for the Group's share option program, acquisition-related expenses and listing cost preparations.

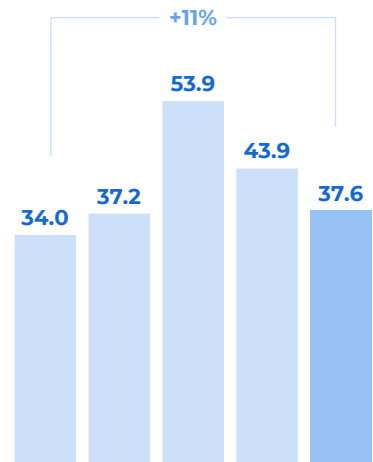
# Q1 2023 financial highlights

Continued YoY growth



## Billings

(USDm)

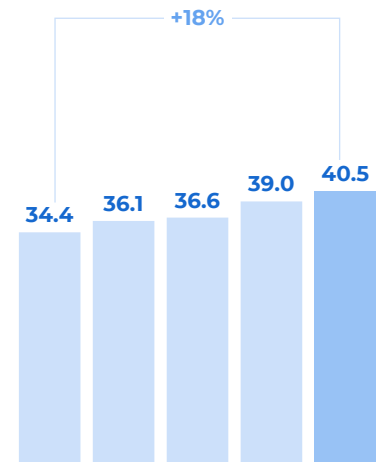


Q1'22 Q2'22 Q3'22 Q4'22 Q1'23

- Billing seasonality though the year impacted by back-to-school season and regular business seasonality

## Recognized revenue

(USDm)

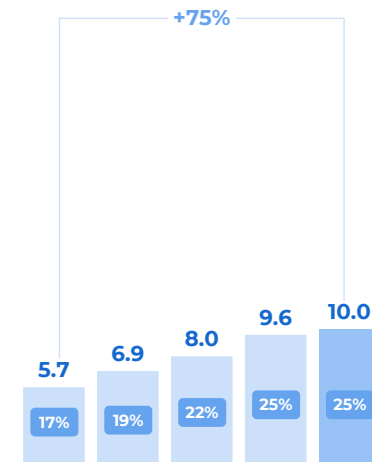


Q1'22 Q2'22 Q3'22 Q4'22 Q1'23

- QoQ revenue growth following recognition of billed prepaid annual subscriptions

## Adjusted EBITDA<sup>1</sup>

(USDm)

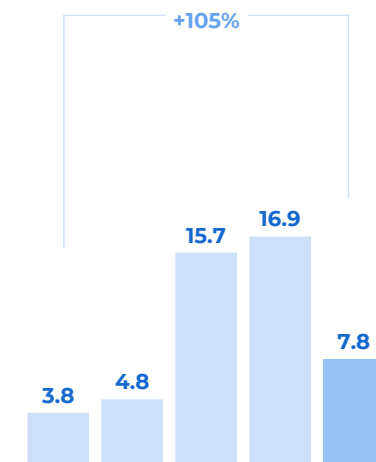


Q1'22 Q2'22 Q3'22 Q4'22 Q1'23

- Continued QoQ adjusted EBITDA improvement and margin expansion

## Free cash flow<sup>1,2</sup>

(USDm)



Q1'22 Q2'22 Q3'22 Q4'22 Q1'23

- Free cash flow following billing seasonality

<sup>1</sup> 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.

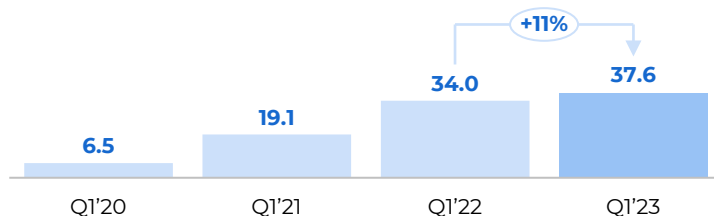
<sup>2</sup> Cash flow from operations minus capex excluding payments for acquisitions (~\$0.4m in Q1'22, ~\$0.4m in Q2'22, ~\$0.4m in Q3'22, ~\$0.4m in Q4'22 and ~\$0.6m in Q1'23).

# Billing and revenue development

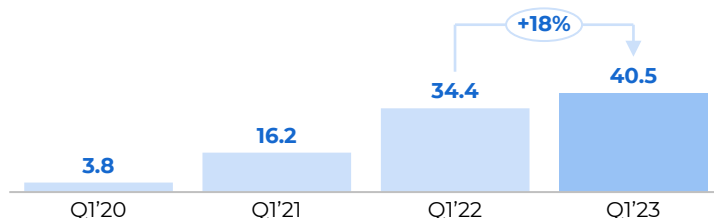
Growth driven by increased number of paid subscriptions



## Billings (USDm)



## Recognized revenue (USDm)



## Paid subscriptions<sup>1</sup>

|                                       | Q1'20      | Q1'21      | Q1'22        | Q1'23        |
|---------------------------------------|------------|------------|--------------|--------------|
| <b>Paid subscriptions<sup>1</sup></b> | <b>202</b> | <b>760</b> | <b>1,170</b> | <b>1,345</b> |
| Commercial                            | 83         | 255        | 515          | 595          |
| Education                             | 91         | 275        | 395          | 450          |
| Consumer & Experience                 | 28         | 230        | 260          | 300          |

## Revenue per geography<sup>2</sup>

|                   | Q1'20 | Q1'21 | Q1'22 | Q1'23 |
|-------------------|-------|-------|-------|-------|
| USA & Canada      | 46%   | 47%   | 56%   | 65%   |
| Europe            | 37%   | 39%   | 31%   | 25%   |
| Rest of the world | 18%   | 15%   | 12%   | 10%   |

## Billings

- Q1 growth in billings over the past 4 years driven by organic paid subscription growth, and the acquisition of Clever fully included from Q1 2022

## Recognized revenue

- YoY revenue development following recognition of billed prepaid annual subscriptions

## Paid subscriptions

- Conversion of free to paid users driving growth in number of paid subscriptions across all customer categories

## Geographic distribution

- USA and Canada representing the major revenue region with 65% of total billings for Q1 2023 (LTM)

<sup>1</sup> Kahoot! Group excluding Clever. End of period figures.

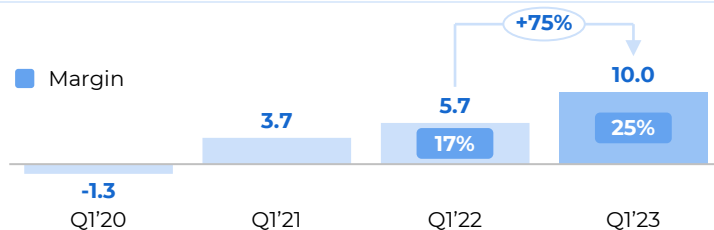
<sup>2</sup> Based on billings last twelve months.

# Adjusted EBITDA and cash flow development

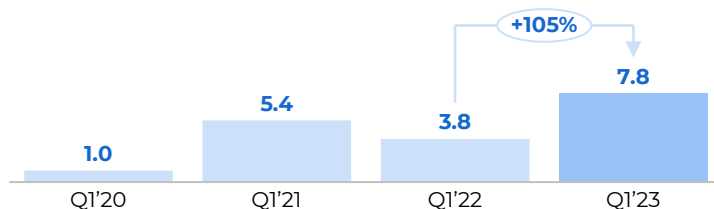
Scalable operating model with leverage



## Adjusted EBITDA<sup>1</sup> (USDm)



## Free cash flow<sup>1,2</sup> (USDm)



|                                 | Q1'20       | Q1'21       | Q1'22       | Q1'23       |
|---------------------------------|-------------|-------------|-------------|-------------|
| <b>Recognized revenue</b>       | <b>3.8</b>  | <b>16.2</b> | <b>34.4</b> | <b>40.5</b> |
| Cost of sales                   | 0.4         | 1.3         | 1.8         | 2.0         |
| Employee benefit exp.           | 2.9         | 6.2         | 15.6        | 17.5        |
| Other operating exp.            | 1.9         | 5.0         | 11.3        | 11.0        |
| <b>Total operating expenses</b> | <b>5.2</b>  | <b>12.5</b> | <b>28.7</b> | <b>30.5</b> |
| <b>Adjusted EBITDA</b>          | <b>-1.3</b> | <b>3.7</b>  | <b>5.7</b>  | <b>10.0</b> |
| SBC expenses                    | 0.1         | 2.1         | 5.6         | 6.1         |
| SBC payroll tax                 | -0.2        | 1.3         | -3.1        | 1.1         |
| Transaction cost                | 0.0         | 1.4         | 0.2         | 0.0         |
| <b>Reported EBITDA</b>          | <b>-1.2</b> | <b>-1.2</b> | <b>3.0</b>  | <b>2.7</b>  |

## Adjusted EBITDA

- Continued YoY improvement and increased margin deriving from the scalable operating model
- Q1 2023 up 75% YoY, adjusted EBITDA margin of 25% vs. 17% in Q1 2022

## Free cash flow

- Cash flow from operations almost translates into free cash flow due to business model with minimal capex required to support scale of the operations. Clever included as of Q1 2022

## Total operating expenses

- Modest Q1 2023 YoY growth of 6% in operating expenses from Q1 2022 (the first full 1<sup>st</sup> quarter including Clever)

## Share-based compensation (SBC) expenses

- Calculated share-based compensation expenses (non-cash effect) will decline through 2023 in particular in the second half of the year based on vesting schedule of current outstanding instruments
- Calculated payroll tax fluctuates with share price development

<sup>1</sup> 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.

<sup>2</sup> Cash flow from operations minus capex excluding payments for acquisitions (~\$0.1m in Q1'20, ~\$0.04m in Q1'21, ~\$0.3m in Q1'22, ~\$0.6m in Q1'23).

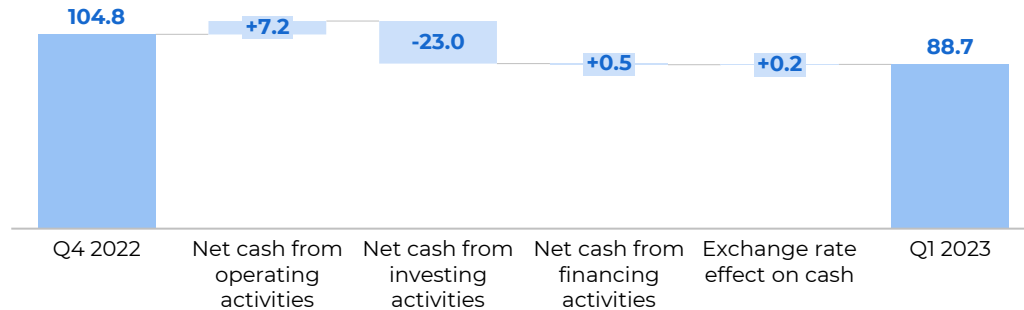
# Cash position development

Strong cash flow from operations with marginal capex

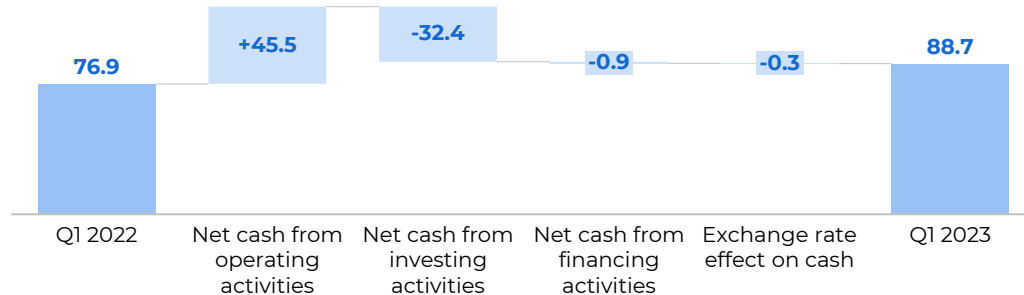


## Cash and cash equivalents bridge from Q4 2022 to Q1 2023

(USDm)



## Cash and cash equivalents bridge from Q1 2022 to Q1 2023



## Q1 2023 development

- Adjusted cash flow from operations of \$8.4m (adjusted for \$1.1m in cash effects from share-based payments), up 100% YoY
- Net cash flow from investments of -\$23.0m due to \$22.4m deferred payment for prior year's acquisitions (Clever and Drops) in-line with agreed payment schedule. Outstanding deferred considerations for acquisitions amount to ~\$17m
- Marginal capital expenditures
- Cash from financing activities of \$0.5m (IFRS 16 lease payments)
- Positive exchange rate effect on cash position due to shift in USD exchange rates in the quarter

## Last twelve months development as of Q1 2023

- Adjusted cash flow from operations of \$46.9m, up ~55% YoY (vs. Q1 2022 LTM)
- Net cash flow from investments of -\$32.4m driven by payment for deferred and contingent consideration for prior years' acquisitions
- Marginal capital expenditures

# Outlook

## Full-year 2023, Q2 2023 and long-term ambition



### Full-year 2023

Full year continued double digit year-on-year growth in billings delivering recognized revenues exceeding \$170m with modest annual growth in operational cost base, and adjusted EBITDA exceeding 40% year-on-year growth with solid free cash flow.

### Q2 2023

Continued year-on-year growth in billings delivering recognized revenues of \$41-42m with modest quarterly increase in operational cost base resulting in year-on-year improvement in adjusted EBITDA and free cash flow

### Long-term ambition

Reiterating the long-term growth potential and scalability ambition, targeting ~40% cash conversion in 2025 (as percentage of billings). Further information will be provided on the Investor Day 7 June 2023

# Priorities 2023



## **LEVERAGE THE SCALABLE PLATFORM AND LEAN OPERATING MODEL,**

continue double-digit profitable growth

## **EVOLVE THE KAHOOT! PLATFORM FOR DEEPER AND BROADER LEARNING,**

increasing share of wallet in engagement and learning

## **CONTINUE INTEGRATION OF ACQUIRED OFFERINGS,**

and improve optimization of all commercial levers

## **DEVELOP AND COMMERCIALIZE CLEVER'S PREMIUM OFFERINGS,**

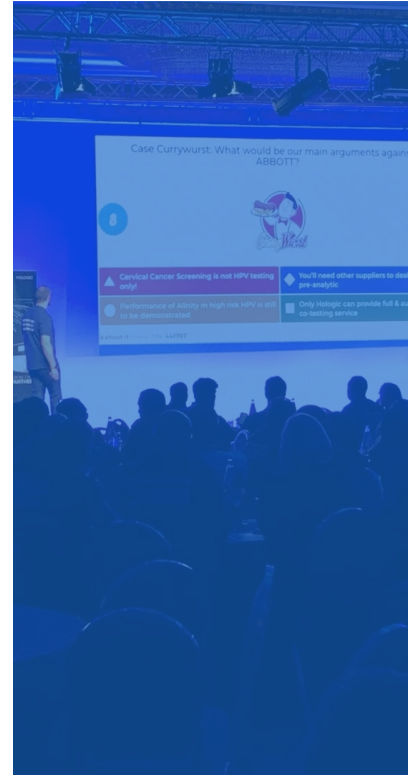
improving profitability with continued growth

## **UNLOCK NEW REVENUE STREAMS FROM MARKETPLACE,**

extracting more value from partnerships ecosystem and new commercial services

## **DEPLOYMENT OF GROUP RESOURCES TO INNOVATION,**

continuous development of better solutions for all user groups and learning contexts



A woman wearing a headset is working at a laptop. The image is overlaid with a blue semi-transparent layer. On the right side, there is a white curved shape containing text. Various data visualization icons like a bar chart, pie chart, and speech bubble are scattered in the background.

# Kahoot!

## Investor Day

7 June 2023

**Kahoot! management team invites you to take part in our virtual Investor Day 7 June 2023**

Registration details will be made available on **[kahoot.com/investor](https://kahoot.com/investor)**



# Kahoot! Group investment highlights



a globally recognized  
brand across sectors and  
segments



a scalable cloud platform  
supported by a viral  
business model



experienced organization with  
growth track record from the  
industry



high growth with growing  
cash flow from operations



continuously improving all  
services for all segments and  
user groups

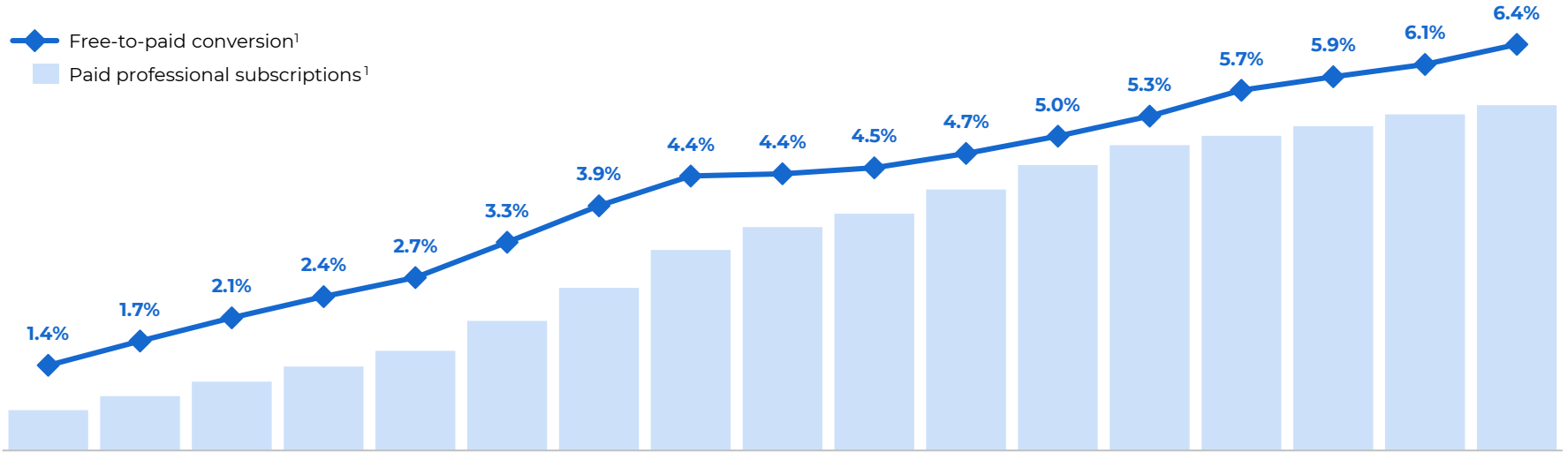


solid financial position for  
strategic partnerships and  
non-organic growth

# Appendix

# Free-to-paid conversion development

Professional accounts<sup>1</sup> on the Kahoot! platform excl. acquisitions



## Active professional accounts<sup>1</sup>

|      |      |      |      |      |      |      |      |      |      |      |       |       |      |      |      |      |
|------|------|------|------|------|------|------|------|------|------|------|-------|-------|------|------|------|------|
| 5.2m | 5.5m | 5.7m | 6.0m | 6.4m | 6.9m | 7.3m | 8.1m | 8.9m | 9.2m | 9.7m | 10.0m | 10.1m | 9.6m | 9.6m | 9.6m | 9.4m |
| Q1   | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   | Q4    | Q1    | Q2   | Q3   | Q4   | Q1   |
| 2019 |      |      |      | 2020 |      |      |      | 2021 |      |      |       | 2022  |      |      | 2023 |      |

<sup>1</sup> Work and School active accounts LTM and paid subscriptions on the Kahoot! platform excluding acquisitions.

# Engagement and usage development

Figures only for Kahoot! accounts (excluding acquired entities) and Clever



| LTM figures as of Q1 (in millions) |   | 2019         | 2020         | 2021         | 2022         | 2023         | 4-year CAGR |
|------------------------------------|---|--------------|--------------|--------------|--------------|--------------|-------------|
| Kahoot! excl. acquisitions         | <b>Active accounts</b>                      | <b>13</b>    | <b>17</b>    | <b>28</b>    | <b>30</b>    | <b>25</b>    | <b>16%</b>  |
|                                    | o/w Work                                    | 0.4          | 0.3          | 0.6          | 0.8          | 0.8          | 23%         |
|                                    | o/w School                                  | 4.9          | 6.0          | 8.3          | 9.3          | 8.6          | 15%         |
|                                    | o/w Home & Study                            | 8.2          | 10.4         | 19.3         | 19.8         | 15.2         | 17%         |
|                                    | <b>Hosted sessions</b>                      | <b>182</b>   | <b>218</b>   | <b>279</b>   | <b>297</b>   | <b>267</b>   | <b>10%</b>  |
|                                    | <b>Participants (non-unique)</b>            | <b>1,057</b> | <b>1,305</b> | <b>1,619</b> | <b>1,916</b> | <b>1,643</b> | <b>12%</b>  |
|                                    | <b>Avg. participants per hosted session</b> | <b>5.8</b>   | <b>6.0</b>   | <b>5.8</b>   | <b>6.5</b>   | <b>6.2</b>   | <b>2%</b>   |
|                                    | o/w Work                                    | 7.1          | 7.0          | 6.9          | 7.4          | 7.6          | 2%          |
|                                    | o/w School                                  | 10.5         | 11.1         | 10.1         | 10.9         | 10.9         | 1%          |
|                                    | o/w Home & Study                            | 2.7          | 3.0          | 2.8          | 3.0          | 2.4          | -3%         |
| Clever                             | <b>Number of paying apps</b>                | <b>317</b>   | <b>389</b>   | <b>437</b>   | <b>511</b>   | <b>612</b>   | <b>18%</b>  |
|                                    | <b>MAUs – students only (millions)</b>      | <b>11.6</b>  | <b>15.5</b>  | <b>20.4</b>  | <b>23.3</b>  | <b>25.1</b>  | <b>21%</b>  |

- Active accounts on the Kahoot! platform (over the last twelve months) were 24.6 million, with approx. 267 million hosted sessions, and a total of approx. 1.6 billion participants (non-unique) globally. Active accounts growing annually at 16%, hosted sessions at 10% and participants at 12% last four years. Increasing number of active K! Work accounts, while K! School and K! Home & Study are normalizing post the pandemic. In addition, solid engagement through the period with average number of participants stable to slightly up over the last four years
- For Clever, number of paying apps growing annually at 18% and number of MAUs (students only) growing annually at 21%

# Key financial figures development overview

Figures for Kahoot! Group (reported)



| USDm   | Q1'23       | Q4'22       | Q3'22       | Q2'22       | Q1'22       | Q4'21       | Q3'21       | Q2'21       | Q1'21       | Q4'20       | Q3'20       | Q2'20       | Q1'20       |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Billings</b>                                  | <b>37.6</b> | <b>43.9</b> | <b>53.9</b> | <b>37.2</b> | <b>34.0</b> | <b>39.7</b> | <b>27.8</b> | <b>20.6</b> | <b>19.1</b> | <b>17.5</b> | <b>11.6</b> | <b>9.6</b>  | <b>6.5</b>  |
| % Growth YoY                                     | 11%         | 10%         | 94%         | 81%         | 78%         | 126%        | 139%        | 114%        | 195%        | 230%        | 241%        | 317%        | 222%        |
| <b>ARR</b>                                       | <b>159</b>  | <b>156</b>  | <b>149</b>  | <b>143</b>  | <b>138</b>  | <b>133</b>  | <b>124</b>  | <b>75</b>   | <b>69</b>   | <b>60</b>   | <b>32</b>   | <b>25</b>   | <b>18</b>   |
| % Growth YoY                                     | 15%         | 17%         | 20%         | 90%         | 100%        | 122%        | 288%        | 200%        | 283%        | 329%        | NA          | NA          | NA          |
| <b>Revenue and operating income</b>              | <b>40.5</b> | <b>39.0</b> | <b>36.6</b> | <b>36.1</b> | <b>34.4</b> | <b>33.0</b> | <b>23.7</b> | <b>18.4</b> | <b>16.2</b> | <b>11.3</b> | <b>9.0</b>  | <b>5.2</b>  | <b>3.8</b>  |
| % Growth YoY                                     | 18%         | 18%         | 55%         | 96%         | 112%        | 193%        | 162%        | 257%        | 321%        | 303%        | 191%        | 269%        | 229%        |
| Cost of sales <sup>1</sup>                       | 2.0         | 1.9         | 1.7         | 1.7         | 1.8         | 2.6         | 1.3         | 1.7         | 1.3         | 1.3         | 1.4         | 0.7         | 0.4         |
| Employee benefit expenses <sup>2</sup>           | 17.5        | 16.5        | 15.6        | 14.7        | 15.6        | 13.9        | 8.7         | 6.5         | 6.2         | 5.7         | 3.2         | 2.5         | 2.9         |
| Other operating expenses <sup>3</sup>            | 11.0        | 10.9        | 11.2        | 12.8        | 11.3        | 11.1        | 7.6         | 6.1         | 5.0         | 4.1         | 2.3         | 2.3         | 1.9         |
| <b>Total operating cost</b>                      | <b>30.5</b> | <b>29.3</b> | <b>28.5</b> | <b>29.2</b> | <b>28.7</b> | <b>27.6</b> | <b>17.7</b> | <b>14.2</b> | <b>12.5</b> | <b>11.2</b> | <b>6.9</b>  | <b>5.4</b>  | <b>5.2</b>  |
| <b>Adjusted EBITDA</b>                           | <b>10.0</b> | <b>9.6</b>  | <b>8.0</b>  | <b>6.9</b>  | <b>5.7</b>  | <b>5.5</b>  | <b>6.0</b>  | <b>4.2</b>  | <b>3.7</b>  | <b>0.1</b>  | <b>2.2</b>  | <b>-0.3</b> | <b>-1.3</b> |
| As % of revenue                                  | 25%         | 25%         | 22%         | 19%         | 17%         | 17%         | 25%         | 23%         | 23%         | 1%          | 24%         | -5%         | -35%        |
| <b>Net cash flow from operations<sup>4</sup></b> | <b>8.4</b>  | <b>17.3</b> | <b>16.1</b> | <b>5.2</b>  | <b>4.2</b>  | <b>13.4</b> | <b>7.4</b>  | <b>5.0</b>  | <b>5.4</b>  | <b>7.0</b>  | <b>5.2</b>  | <b>3.9</b>  | <b>1.1</b>  |
| As % of revenue                                  | 21%         | 44%         | 44%         | 14%         | 12%         | 41%         | 31%         | 27%         | 34%         | 62%         | 58%         | 76%         | 28%         |
| <b>Cash and cash equivalents</b>                 | <b>89</b>   | <b>105</b>  | <b>87</b>   | <b>77</b>   | <b>77</b>   | <b>108</b>  | <b>206</b>  | <b>440</b>  | <b>254</b>  | <b>256</b>  | <b>73</b>   | <b>73</b>   | <b>34</b>   |
| <b>Employee full time equivalents</b>            | <b>468</b>  | <b>462</b>  | <b>459</b>  | <b>443</b>  | <b>430</b>  | <b>422</b>  | <b>415</b>  | <b>244</b>  | <b>204</b>  | <b>182</b>  | <b>127</b>  | <b>128</b>  | <b>120</b>  |

- Continued quarterly YoY invoiced revenue (billings) growth and QoQ revenue growth
- Carefully managing the operational cost base development based on of the scalable business model with increased leverage; low customer acquisition cost and infrastructure cost for both free and paid users included in existing cost base
- Q1 adjusted EBITDA up 75% YoY. Continued solid net cash flow from operations, up 100% YoY<sup>4</sup>.

<sup>1</sup> Cost of sales only include direct third-party sales and distribution cost. <sup>2</sup> Not including calculated share-based payment expenses and related payroll taxes for the Group's share option program. <sup>3</sup> Not including acquisition-related expenses and listing cost preparations. <sup>4</sup> Adjusted for cash outflow for acquisition and listing cost, and cash effects related to share-based payment.

# 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), Gross margin, 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.

## 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.
- Gross margin is defined as total revenue deducted for cost of sales divided by total revenue.
- 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.

**Kahoot!**