

Kahoot! Group

Q1 2023 Report

Kahoot! Group Reports First Quarter 2023 Financial Results

OSLO, 4 May 2023 – Kahoot! ASA, (KAHOT) today announced financial results for its fiscal quarter ended 31 March 2023

- Revenue of \$40.5 million for the first quarter, up 18% YoY.
- Billings (invoiced revenue) of \$37.6 million for the first quarter, up 11% YoY.
- Adjusted EBITDA of \$10.0 million for the first quarter, up 75% YoY.
- Adjusted operating cash flow of \$8.4 million for the first quarter, up 100% YoY.
- Net new 35K paid subscriptions for the first quarter, of which 30K from professional user categories. The Kahoot! Group reached 1,345K paid subscriptions by the end of the first quarter, up 15% YoY.

“I am pleased to report solid performance through the first quarter, with double digit revenue growth and significant increase in profitability.

Kahoot! showed resilience and continued viral growth in a difficult market environment in the first part of the quarter. The long-term growth of professional users continued, with larger customers taking advantage of our expanding suite of solutions, resulting in an increase in paid subscriptions and activity on paid accounts. We noted a positive shift in sentiment across key customer segments in March, extending into the second quarter.

I am proud to see Kahoot! making a difference to millions of users, be it in the classroom, boardroom, or the living room, reaching over 260 million hosted learning sessions with over 1.6 billion participants, in the last twelve months.

We will continue to expand user value for creators, presenters, teachers, students and learners, as we develop new solutions and integrations, including new AI based features. I am excited about our strong product pipeline, with a host of new solutions for both school, work, and home.”

- Eilert Hanoa, CEO of Kahoot!

First Quarter 2023 - Financial and Operational Highlights

- Total revenue and other operating income in the first quarter grew \$6.1 million YoY to \$40.5 million, up 18%.
- Billings (invoiced revenue) were \$37.6 million in the first quarter, up 11% YoY, whereof Clever contributed \$9.6 million which is in line with the first quarter 2022. Excluding Clever, invoiced revenue in the first quarter grew \$3.5 million YoY to \$28.0 million, up 14% YoY.
- Annual Recurring Revenue (“ARR”) of \$159 million, up 15% YoY.
- Total operating expenses (excluding share-based compensation expenses and related payroll taxes) were \$30.5 million in the first quarter, up 6% YoY.
- Adjusted EBITDA in the first quarter grew \$4.3 million YoY to \$10.0 million, up 75%.
- Adjusted cash flow from operations in the first quarter grew \$4.2 million YoY to \$8.4 million, up 100%.
- Cash and cash equivalents per the end of the first quarter 2023, totaled \$88.7 million. The Group has no interest-bearing debt.
- Total number of paid subscriptions reached 1,345,000 across all services, up 15% YoY, representing an organic increase of 35,000 from the previous quarter, of which 30,000 from professional user categories. At the end of the first quarter, Commercial reached 595,000 paid subscriptions, Education reached 450,000 paid subscriptions and Consumer & Experience reached 300,000 paid subscriptions.
- Active accounts on the Kahoot! platform (over the last twelve months) was 24.6 million, with approx. 267 million hosted sessions, and more than 1.6 billion participants (non-unique) globally.

“Kahoot!’s scalable platform, agile operations and diversified business model contributed to robust performance in the first quarter; including double digit invoiced revenue growth, strong year over year increase in profitability, improving margins and doubling our operating cash flow over the last year.”

Through the initial part of the year, we have managed consistent cost levels approximately in line with previous quarters. We will continue to operate a modest cost base across the group, enabling us to deliver continued year-on-year improvement in adjusted EBITDA and free cash flow while executing our growth strategy.”

- 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 include 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.

USD in millions	Q1 2023	Q1 2022	YoY	FY 2022
Total revenue and other operating income	40.5	34.4	18 %	146.0
Cost of sales ¹	2.0	1.8		7.0
Employee benefit expenses ²	17.5	15.6		62.5
Other operating expenses ³	11.0	11.3		46.3
Total operating expenses	30.5	28.7	6 %	115.7
Adjusted EBITDA	10.0	5.7	75 %	30.2
Share based compensation expenses	6.1	5.6		23.9
Payroll tax share based compensation	1.1	(3.1)		(3.4)
Acquisition transaction and listing cost	-	0.2		0.2
EBITDA	2.7	3.0		4.7
Invoiced revenue	37.6	34.0	11 %	169.0
ARR end of period	159.0	138.0	15 %	156.0
Gross margin	95 %	95 %		95 %
Adjusted EBITDA margin	25 %	17 %		21 %
Cash flow from operating activities ⁴	8.4	4.2	100 %	31.3
Capital expenditures ⁵	0.6	0.4		1.5
Cash and cash equivalents end of period	88.7	76.9		107.8

¹ Cost of sales are third-party distribution and content 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, listing cost preparations, depreciation, and amortization.

⁴ First quarter 2023 adjusted for \$1.1 million cash outflow for expenses to social security cost on share-based payments.

⁵ Capital expenditures not including acquisitions.

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.

Financial Review

- Total revenue and other operating income of \$40.5 million for the first quarter 2023, compared to \$34.4 million for the first quarter 2022, up 18% YoY. The increase of \$6.1 million was mainly driven by growth in paid subscriptions for the Group's products.
- Gross margin was 95% in the first quarter which is in line with the first quarter 2022.
- Employee benefit expenses include regular operational payroll and employee related benefit expenses, and in addition, calculated share-based payment expenses and related calculated payroll taxes for the Group's share option and RSU program.
 - Total employee benefit expenses amounted to \$24.8 million for the first quarter 2023 whereof calculated share-based payment expenses and related payroll taxes for the Group's share option and RSU program accounted for \$6.1 million and \$1.1 million respectively. For the corresponding quarter in 2022, total employee benefit expenses amounted to \$18.1 million, whereof calculated share-based payment expenses and related payroll taxes for the Group's share option and RSU program accounted for \$5.6 million and -\$3.1 million respectively (cost reduction due to reduced provision for payroll tax in the second quarter 2022 caused by share price fluctuations).
 - The operational payroll and employee related benefit expenses accounted for \$17.5 million in the first quarter 2023 compared to \$15.6 million in the first quarter 2022. The increase is attributable to the increased number of employees throughout the period.
- EBITDA amounted to \$2.7 million for the first quarter 2023 compared to \$3.0 million for the first quarter 2022. Adjusted EBITDA (adjusted for share-based compensation expenses and related payroll taxes and acquisition-related expenses) was \$10.0 million for the first quarter 2023, up 75% YoY.
- Depreciation and amortization expenses amounted to \$3.9 million for the first quarter 2023 which is in line with the first quarter 2022. The amount is mainly amortization of intangible assets from prior years acquisitions.
- Net financial income amounted to \$0.4 million for the first quarter 2023, compared to net financial expense of \$0.8 million for the corresponding quarter 2022.
- The \$0.8 million positive effect from income tax for the first quarter 2023 is due to tax effect on amortization of intangible assets.
- During the first quarter 2023, total assets decreased by \$18.9 million to \$768.2 million compared to total assets of \$787.1 million by 31 December 2022. The decrease is primarily related to amortization of intangible assets from acquisitions and \$22.4 million payment for deferred and contingent consideration for prior years' acquisitions. Current assets were \$112.6 million by the end of the first quarter 2023 whereof cash and cash equivalents represented \$88.7 million.

- Total liabilities decreased during the first quarter 2023 by \$23.8 million to \$155.1 million compared to total liabilities of \$178.9 million by 31 December 2022. The decrease is primarily related to settlement of contingent and deferred consideration liabilities arising from prior year's acquisitions. Remaining deferred consideration to be settled for the Clever acquisition amounts to approx. \$17 million. Per the end of the first quarter 2023, deferred tax liabilities represent \$41.9 million and contract liabilities (deferred revenue) \$76.8 million.
- Equity ratio by the end of the first quarter 2023 was 80% compared to 77% by the end of 2022.
- Cash flow from operations for the first quarter 2023 was \$7.2 million and adjusted cash flow from operations was \$8.4 million, up 100% YoY.
- Cash flow from investing activities amounted to -\$23.0 million in the first quarter 2023 whereof \$22.4 million relates to payment for deferred and contingent consideration for prior years' acquisitions.
- Cash flow from financing activities of -\$0.5 million in the first quarter 2023 to payments of lease liabilities.

First Quarter 2023 - Strategic and Business Highlights

With macroeconomic uncertainty towards the end of last year being prolonged into the first part of 2023, organizations continued to exercise spending caution. Through our diversified portfolio across user groups, geographies and offerings, the group delivered solid financial and operational performance in the first quarter, positioning for durable profitable growth. We noted signs of increased demand in key customer segments in the latter part of the quarter, with positive development in March, continuing into April. The pipeline across business categories strengthened further, with mid- to-large-sized deals, laying a robust foundation for the months to come.

With the influx of thirty-five thousand net new paid subscriptions on the Kahoot! platform, the quarter saw solid growth in new paid users, with minimal customer acquisition cost, due to our viral distribution model. Still, with some 97% of the platform's users benefiting from our free services the potential for further monetization remains significant. As we continue to build out offerings on our core platform we expect to see additional revenue streams from our wide community of users.

Clever continued to add new paid application partners to the company's market-leading rostering service to more than 97,000 schools in the U.S. K-12, and continued to show progress across the business, including the ongoing roll-out of premium offerings ahead of the back-to-school season. Due to Clever's billing cycle, and in line with normal seasonal patterns over the last years, we expect financial impact of new application partners as well as effect from further expansion of Clever's user base in schools and districts, to occur in the third and fourth quarter of the year, resulting in full-year double-digit invoiced revenue growth, and improved profitability.

At Kahoot! product innovation is part of our culture, where half of the group's personnel is dedicated to development of our existing and future products. The first quarter saw an exceptional yield from R&D, fueling a rich line-up of solutions that will be released to the market through the year. This includes new AI based features to optimize efficiency of content creation and ease-of-use, as well as new offerings to both school, work, and home. These new features will amplify the capabilities of our solutions, making these even more

powerful in the hands of our users. And we can do so in an environment that is curated, safe and beneficial to publishers and partners.

With significant investments into the group's product suite over the last quarters, Kahoot! is increasingly running a diversified business, with potential to grow further across the corporate and enterprise sector, K-12 and higher-ed in school, for personal usage at home, as well as in the emerging area of content.

After seeing normalization in free social users on the Kahoot! platform compared to prior year's pandemic-induced levels, the month of March was the first comparable month post-pandemic. With a total of 175 million participating players in March, we noted indications of stabilizing monthly user metrics and activity on the Kahoot! platform. With millions of new sign-ups every quarter, supported further through a host of new game experiences, interactive features, and upcoming launch of new solutions, we believe the company has the building-blocks needed to continue the positive development going forward.

The company's focus on operational efficiency and better commercial performance, with marginal growth of workforce, continues to deliver good results. Due to effective unit economics and a highly scalable platform we expect to see continued and sustained profitable growth, as we pursue our mission of making learning awesome for everyone.

Business Areas

Commercial

The Commercial category includes Kahoot!, a leading audience engagement solution used in 97% of Fortune 500 companies, Motimate, a modern complete training solution, and Actimo, an employee communication and engagement app with particular focus on non-desk workers. Kahoot!'s Commercial offerings help corporate customers engage employees and build company culture by delivering easy to use, unique training and communication experiences, across entire organizations.

In Q1, net 15,000 new paid subscriptions were added, reaching approx. 595,000 in total paid subscriptions, up 16% YoY. Commercial saw steady performance and continued growth across our offerings with good traction across all sales channels. Momentum picked up particularly towards the end of the quarter and continued into Q2. Further strengthening our professional offerings, we launched Kahoot 360 "Story" - an interactive storytelling tool for corporations to create their own fun, engaging, visually impactful training content for asynchronous learning experiences.

Education

The Education category includes Kahoot, the leading learning and engagement tool for teachers and students, and Clever, the market leading single sign-on portal for teachers and students in K-12 US. Over 8 million educators across the world use Kahoot!'s learning tools to make learning awesome for hundreds of millions of students across thousands of schools, campuses, universities and districts.

In Q1, net 15,000 new paid subscriptions were added, reaching approx. 450,000 in total paid subscriptions, up 14% YoY. Introduced Kahoot! EDU Pro, a new top tier commercial plan for schools, districts and higher ed institutions enabling asynchronous "assigned kahoots" with up to 10,000 players, customized theming and branding. In addition, launched the new Kahoot! game experience Tallest Tower - a new student-led game mode which has quickly become the most popular way to play Kahoot! after the classic mode.

Clever continued with a strong second half of the '22/23 school year, growing to 610+ paid app partners on the platform. Healthy K-12 student activity growth continued, with now 25m monthly active students in over 97,000 schools on the platform. Clever Identity Management (Clever IDM), the paid identity management solution for schools, was extended to support Azure AD. In collaboration with Microsoft, the new version of Windows for Education allows for login with Clever Badges.

Consumer & Experience

The Consumer & Experience category includes Kahoot!'s learning platform, award winning learning apps like Poio, DragonBox, Drops, and premium learning content from world leading publishers and brands, enabling hundreds of millions of participants, from children, students and families to connect and learn in an engaging way, either through self-study or live sessions for learning, family fun and social settings.

In Q1, net 5,000 new paid subscriptions were added, reaching approx. 300,000 in total paid subscriptions this quarter, up 15% YoY. In the quarter we launched the new standalone Kahoot! Kids app, a one-stop-shop for engaging and entertaining learning games, including premium kahoots with your favorite Disney characters. In addition, Danish was added as the 18th language on the platform. Marketplace improved with new features for content creators and discovery functionality, preparing for launch of content creator subscription channels.

Outlook

Going forward the Kahoot! Group will provide guidance as outlined below.

Full year 2023 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.

Second quarter 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.

Kahoot! Group Ambitions

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.

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 9 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	Q4'22	Q1'23
Paid subscriptions¹	202	270	360	675	760	933	1,015	1,110	1,170	1,210	1,250	1,310	1,345
Commercial	83	100	105	245	255	403	435	490	515	530	550	580	595
Education	91	125	180	230	275	295	335	365	395	410	425	435	450
Consumer & Experience	28	45	75	200	230	234	245	255	260	270	275	295	300

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 at the 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	Q3'22	Q4'22	Q1'23
Active accounts	0.3	0.4	0.5	0.5	0.6	0.5	0.6	0.7	0.8	0.8	0.9	0.9	0.8
Hosted sessions	2.7	2.7	3.1	3.9	4.6	4.6	4.9	5.8	6.4	6.4	6.4	5.9	5.7
Participants	18.8	20.5	23.1	27.8	31.5	32.3	35.1	43.4	47.8	47.7	46.8	44.1	43.3
<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	0.2	0.0
Hosted sessions	-0.1	-0.1	0.5	1.2	1.9	1.9	1.8	1.9	1.8	1.8	1.4	0.0	-0.7
Participants	-0.9	1.1	4.2	9.3	12.7	11.8	12.0	15.6	16.3	15.5	11.7	0.6	-4.5

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	Q3'22	Q4'22	Q1'23
Active accounts	6.0	6.4	6.9	7.6	8.3	8.7	9.1	9.3	9.3	8.8	8.7	8.7	8.6
Hosted sessions	79.0	68.7	76.9	94.3	112.3	129.6	134.0	131.4	125.9	119.7	116.8	113.1	114.8
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	1,253.3	1,247.4
<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	-0.6	-0.7
Hosted sessions	7.9	-5.8	0.7	16.8	33.3	60.9	57.2	37.1	13.6	-10.0	-17.3	-18.4	-11.1
Participants	129.3	36.6	93.8	180.6	257.7	529.3	501.6	401.1	237.4	-19.8	-81.1	-153.3	-124.9

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	Q3'22	Q4'22	Q1'23
Active accounts	10.4	13.5	14.2	16.7	19.3	19.7	20.6	20.9	19.8	18.4	17.2	16.2	15.2
Hosted sessions	135.9	138.8	143.8	152.2	162.0	169.3	175.3	173.2	164.7	162.0	158.7	149.5	146.4
Participants	408.8	412.7	436.1	458.9	452.9	481.1	510.5	526.5	496.3	474.8	452.7	380.7	352.2
<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	-4.7	-4.6
Hosted sessions	27.3	19.3	19.4	21.5	26.1	30.4	31.5	21.0	2.7	-7.3	-16.6	-23.7	-18.4
Participants	119.0	98.5	115.1	114.3	44.1	68.4	74.4	67.5	43.4	-6.4	-57.7	-145.7	-144.0

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

³Category 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	Q4'22	Q1'23
Active accounts	16.8	20.3	21.5	24.8	28.2	29.0	30.3	30.9	29.9	28.0	26.7	25.8	24.6
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	10.8	9.9
Europe	5.1	6.5	6.7	7.4	8.9	8.8	9.3	9.8	9.6	9.4	9.3	9.3	9.2
Asia Pacific	1.6	2.1	2.4	2.6	2.8	2.7	3.2	3.3	3.3	3.3	2.9	2.7	2.7
Latin America	0.9	1.4	1.8	2.4	2.9	3.2	3.2	3.1	2.9	2.5	2.2	2.0	2.0
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	1.0	0.9
Hosted sessions	217.6	210.2	223.8	250.5	278.9	303.5	314.2	310.5	297.1	288.1	281.8	268.4	266.9
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	110.7	105.3
Europe	64.5	64.3	66.2	71.9	80.3	84.5	88.4	91.7	90.8	93.5	96.8	97.1	101.4
Asia Pacific	22.0	23.3	24.6	25.5	26.4	26.8	30.7	32.6	33.2	33.3	30.3	29.5	30.0
Latin America	12.7	14.7	18.6	22.6	26.6	29.7	29.7	28.8	26.4	23.6	21.6	20.0	20.0
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	11.1	10.2
Participants (non-unique)	1,305	1,245	1,339	1,492	1,619	1,855	1,927	1,976	1,916	1,844	1,800	1,678	1,643
USA and Canada	742	655	683	760	818	973	1,005	1,012	969	909	883	795	751
Europe	344	347	360	392	423	472	493	525	519	526	537	524	534
Asia Pacific	126	128	143	152	160	171	191	207	211	213	201	197	203
Latin America	59	73	99	124	148	168	168	164	152	134	123	113	111
Africa, Middle East, India	34	42	54	65	69	70	70	68	66	62	55	49	45

Financial statements

1. Condensed consolidated interim statement of profit or loss

USD in thousands	Note	Q1 2023	Q1 2022	FY 2022
Revenue from contracts with customers	2	40,532	34,366	145,610
Other operating income	2	-	18	350
Total revenue and other operating income		40,532	34,384	145,960
Distribution and content expenses		2,005	1,758	7,012
Employee benefit expenses		24,787	18,134	82,967
Other operating expenses		11,002	11,457	46,418
Operating profit/(loss) before deprec. and amortiz. (EBITDA)		2,738	3,035	9,563
Amortization of intangible assets		3,128	3,475	12,570
Depreciation		736	460	2,081
Operating profit/(loss) (EBIT)		(1,126)	(900)	(5,088)
Financial income		664	40	820
Financial expenses		(99)	(66)	(327)
Net change in fair value of financial instruments		(197)	(1,031)	3,415
Net foreign exchange gains (losses)		15	277	(4,681)
Net financial income (expenses)		383	(780)	(773)
Profit/(loss) before income tax		(743)	(1,680)	(5,861)
Income tax		(748)	(480)	(8,149)
Profit/(loss) for the period		5	(1,200)	2,288
Profit/(loss) for the period attributable to:				
Equity holders of Kahoot! ASA		5	(1,200)	2,288
Earnings per share in USD				
Basic earnings per share		0.00	(0.00)	0.00
Diluted earnings per share		0.00	(0.00)	0.00

Condensed consolidated interim statement of comprehensive income or loss

USD in thousands	Q1 2023	Q1 2022	FY 2022
Profit/(loss) for the period	5	(1,200)	2,288
Other comprehensive income/(loss):			
Items that might be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations	(750)	(1,181)	(4,614)
Total comprehensive income/(loss) for the period	(745)	(2,381)	(2,326)
Total comprehensive income/(loss) attributable to:			
Equity holders of Kahoot! ASA	(745)	(2,381)	(2,326)

2. Condensed consolidated interim balance sheet

USD in thousands	Note	31.03.2023	31.12.2022
ASSETS			
Goodwill		486,169	487,161
Intangible assets		155,324	158,757
Property, plant and equipment		1,468	1,372
Right-of-use assets		7,626	6,072
Deferred tax asset		5,050	5,051
Total non-current assets		655,637	658,413
Trade receivables		17,849	18,478
Other current assets		6,053	5,428
Cash and cash equivalents		88,701	104,799
Total current assets		112,603	128,705
TOTAL ASSETS		768,240	787,118
EQUITY AND LIABILITIES			
Share capital	3	5,773	5,773
Share premium		662,777	662,780
Share-based payments reserves		40,379	34,739
Foreign currency translation reserves		(16,092)	(15,342)
Accumulated deficit		(79,715)	(79,720)
Total equity		613,122	608,230
Lease liabilities		5,562	4,337
Deferred tax liability		41,851	42,673
Contract liabilities		3,029	3,353
Other non-current liabilities		8,454	9,709
Total non-current liabilities		58,896	60,072
Lease liabilities		2,557	2,083
Current tax liabilities		33	11
Trade payables		4,453	4,654
Contract liabilities		73,784	74,964
Other current liabilities		15,395	37,104
Total current liabilities		96,222	118,816
Total liabilities		155,118	178,888
TOTAL EQUITY AND LIABILITIES		768,240	787,118

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 2022	5,707	651,581	16,963	(10,728)	(82,008)	581,515
Profit/(loss) for the period	-	-	-	-	2,288	2,288
Currency translation differences	-	-	-	(4,614)	-	(4,614)
Total comprehensive income/(loss) for the period	-	-	-	(4,614)	2,288	(2,326)
Issuance of shares	66	11,238	-	-	-	11,304
Transaction costs on equity issues	-	(39)	-	-	-	(39)
Share option program	-	-	17,776	-	-	17,776
Balance at 31 December 2022	5,773	662,780	34,739	(15,342)	(79,720)	608,230
Profit/(loss) for the period	-	-	-	-	5	5
Currency translation differences	-	-	-	(750)	-	(750)
Total comprehensive income/(loss) for the period	-	-	-	(750)	5	(745)
Issuance of shares	-	-	-	-	-	-
Transaction costs on equity issues	-	(3)	-	-	-	(3)
Share option program	-	-	5,640	-	-	5,640
Balance at 31 March 2023	5,773	662,777	40,379	(16,092)	(79,715)	613,122

USD in thousands	Share capital	Share premium	Share-based payment reserves	Foreign currency translation reserves	Accumulated deficit	Total equity
Balance at 1 January 2022	5,707	651,581	16,963	(10,728)	(82,008)	581,515
Profit/(loss) for the period	-	-	-	-	(1,200)	(1,200)
Currency translation differences	-	-	-	(1,181)	-	(1,181)
Total comprehensive income/(loss) for the period	-	-	-	(1,181)	(1,200)	(2,381)
Issuance of shares	29	9,943	-	-	-	9,972
Transaction costs on equity issues	-	(28)	-	-	-	(28)
Share option program	-	-	3,307	-	-	3,307
Balance at 31 March 2022	5,736	661,496	20,270	(11,909)	(83,208)	592,385

4. Condensed consolidated interim statement of cash flows

USD in thousands	Q1 2023	Q1 2022	FY 2022
Cash flows from operating activities			
Profit/(loss) before income tax	(743)	(1,680)	(5,861)
<i>Adjustments for</i>			
Depreciation and amortization	3,864	3,935	14,651
Share-based payments expense	5,640	3,307	17,776
Change in trade receivables	613	116	(7,058)
Change in contract liabilities	(1,480)	(1,843)	18,357
Change in trade payables	134	(687)	(943)
Change in other current assets and other liabilities	(1,358)	487	4,459
Taxes paid	-	-	(13)
Interest received	664	40	820
Financial expenses	(99)	(66)	(327)
Net cash flow from operating activities	7,235	3,609	41,861
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired ¹	(22,446)	(32,876)	(41,231)
Payment for intangible assets	-	(456)	(892)
Payment for property, plant and equipment	(563)	(301)	(946)
Net cash from investing activities	(23,009)	(33,633)	(43,069)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	-	-	860
Transaction costs on issuance of ordinary shares	(8)	(28)	(40)
Repayments of lease liabilities	(441)	(251)	(1,295)
Paid interest on lease liabilities	(91)	(26)	(161)
Net cash from financing activities	(540)	(305)	(636)
Net increase/(decrease) in cash and cash equivalents	(16,314)	(30,329)	(1,844)
Cash and cash equivalents beginning of the period	104,799	107,765	107,765
Effects of exchange rate changes on cash and cash equiv.	218	(568)	(1,122)
Cash and cash equivalents as of end of period	88,702	76,868	104,799

¹ Cash outflow for acquisitions of subsidiaries only relates to contingent and deferred consideration liabilities paid in 2023 for acquisitions in 2020 and 2021. For further information please see note 4 in the 2022 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 three months ending 31 March 2023, have been prepared in accordance with IAS 34 Interim Financial Reporting, and authorized for issue by the board of directors on 3 May 2023. 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 2022.

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 2022.

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	Q1 2023	Q1 2022	FY 2022
Subscription revenue - recognized over time	40,356	34,183	144,621
Other revenue - recognized at point in time	176	183	989
Total revenue from contracts with customers	40,532	34,366	145,610
Other operating income	-	18	350
Total revenue and other operating income	40,532	34,384	145,960

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 2023	492,836,049	49,283,605	5,772,713
Issued during the year	0	0	0
Balance at 31 March 2023	492,836,049	49,283,605	5,772,713

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 2022 Annual Report.

Note 4 - Shareholder information per 31 March 2023

Approx. 36,000 shareholders per 31 March 2023	Shares (m)	%
JPMorgan Chase Bank	74.1	15.0 %
Glitrafjord AS	41.3	8.4 %
Creandum III LP	20.0	4.1 %
Folketrygdfondet	20.0	4.0 %
Datum AS	18.0	3.7 %
Citigroup Global Markets Inc.	13.5	2.7 %
Danske Bank A/S	13.1	2.7 %
The Northern Trust Comp	9.7	2.0 %
Newbrott AS	7.6	1.5 %
State Street Bank and Trust Comp	7.4	1.5 %
State Street Bank and Trust Comp	6.1	1.2 %
Nordnet Bank AB	6.0	1.2 %
JPMorgan Chase Bank	5.8	1.2 %
MP pensjon PK	5.6	1.1 %
Clearstream banking S.A.	5.3	1.1 %
Gamification AS	5.0	1.0 %
J.P. Morgan SE	5.0	1.0 %
UBS Switzerland AG	4.6	0.9 %
Citibank, N.A.	4.5	0.9 %
Verdipapirfondet KLP	4.2	0.9 %
Other	216.0	43.8 %
Total outstanding shares	492.8	100 %
Outstanding share options / RSUs	32.9	
Total no. of shares (fully diluted)	525.7	

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

Note 5 - Related party transactions

In the first quarter 2023 there were no transactions between the Group and related parties.

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 31 March 2023.

Kahoot!

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