

Kahoot! ASA

Q4 2022 Presentation
16 February 2023

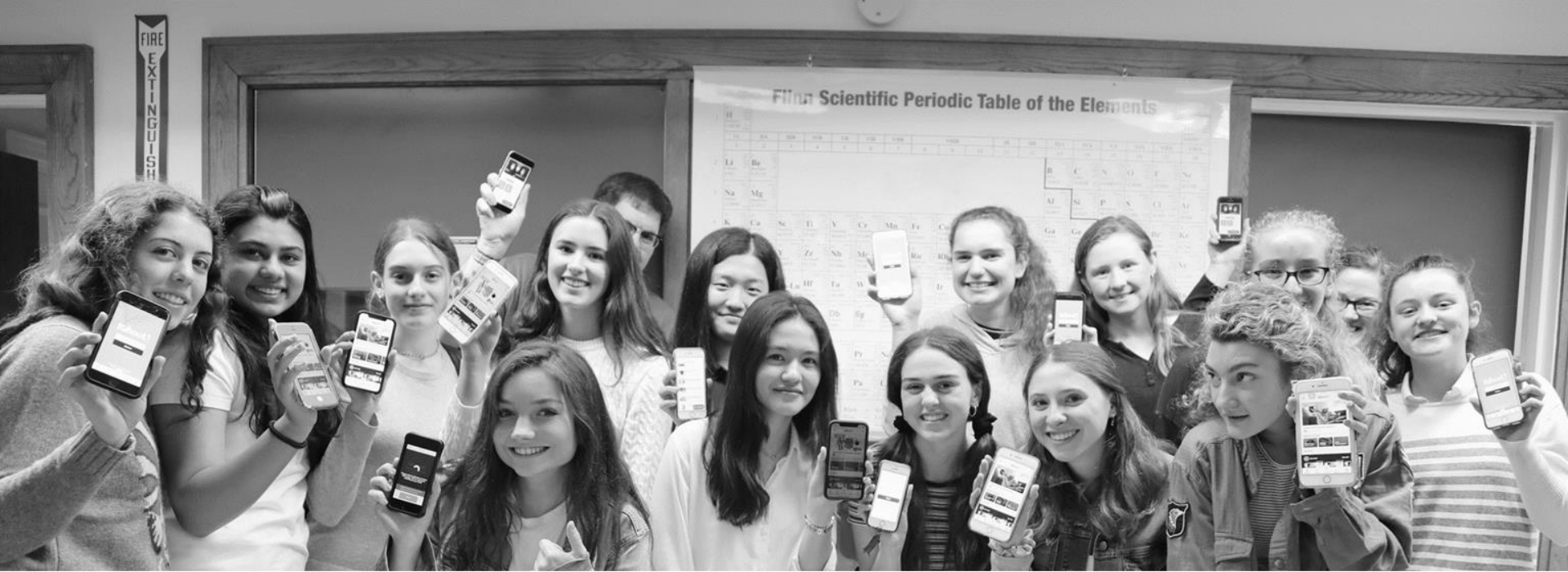


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Driven by our values and our purpose, we are on a mission to improve lifelong learning by building the leading learning and engagement platform in the world



Kahoot! Group

AT A GLANCE

Kahoot! is on a mission to make learning awesome!

Kahoot! is a global learning platform company that wants to empower everyone, including children, students, and employees, to unlock their full learning potential. Kahoot! Group consists of the Kahoot! learning and engagement platform, 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 has more than 500 K!rew members globally

KAHOOT! KEY NUMBERS

~268m

hosted learning
sessions LTM

8m+

educators on the
kahoot! platform

~26m

active accounts
in 2022

9b

non-unique
participants since
launch in 2013

100m+

user generated
kahoots!

200+

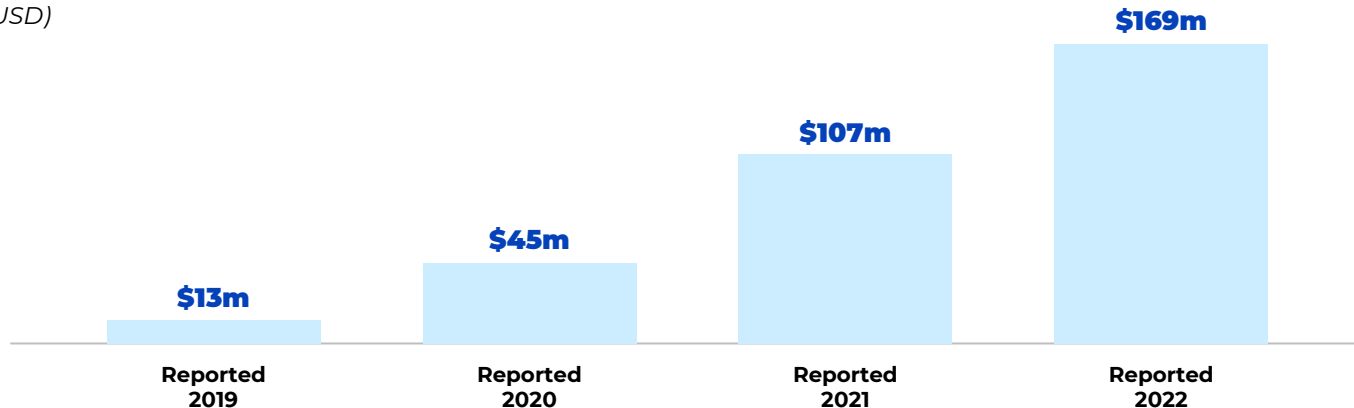
countries and
regions with
kahoot! users



Scalable software platform for learning and engagement

INVOICED REVENUE

(in millions USD)



2013-17:

Kahoot! the quiz

- >Kahoot! multiple choice quiz
- >Single user
- >Free solutions
- >School + Home segments

2018-2021:

Commercial launch

- >Added functionality, multi-user + team
- >Free-to-paid
- >School, Home and Work segments
- >Enterprise sales
- >Acquisitions

2022→

Scalable software platform

- >Learning and engagement platform
- >All segments
- >Enhanced premium upgrades
- >Enterprise sale scaling
- >Clever platform

Strategic growth levers

1

ENGAGING PRODUCTS

distinct and versatile software solutions with signature user experience, continuous product innovation value-add across all offerings

2

LEADING BRAND

leverage global love brand for learning and engagement across school, corporates and home

3

SCALABLE PLATFORM

commercial leverage across vast platform and ecosystem of users, partners and content, proven network effects

4

PROFITABLE GROWTH

capital light, cost effective and viral distribution model, fueling R&D and growth initiatives

THE K!REW











A purpose-led, value-driven, diverse and industry experienced team with passion to drive growth and best user-experience

Kahoot! ranked top 10 Coolest brands 2022 by Gen Z in North America and Western Europe













The Top 10 Coolest Gen Z Brands in Western Europe

SCROLL DOWN TO SEE THE COMPLETE TOP 50

1.  Nike COOL: 75%	2.  Kahoot! COOL: 73%	3.  TikTok COOL: 70%	4.  Netflix COOL: 70%	5.  Apple COOL: 70%
6.  Instagram COOL: 66%	7.  Coca-Cola COOL: 64%	8.  Foot Locker COOL: 63%	9.  YouTube COOL: 63%	10.  PayPal COOL: 62%

The Top 10 Coolest Gen Z Brands in North America

SCROLL DOWN TO SEE THE COMPLETE TOP 50

1.  Nike COOL: 69%	2.  YouTube COOL: 66%	3.  Jordan COOL: 64%	4.  TikTok COOL: 64%	5.  Snapchat COOL: 64%
6.  Cash App COOL: 63%	7.  Kahoot! COOL: 63%	8.  Apple COOL: 63%	9.  Sour Patch Kids COOL: 62%	10.  Netflix COOL: 60%

Highlights Q4 2022

BILLINGS

\$43.9M

up 10% YoY, for the full year 21% growth on a pro forma basis

PAID SUBSCRIPTIONS

1.3M

60K new paid subscriptions across group QoQ, 40K core Kahoot!

LTM NET RETENTION (USD)

+120%

top 50 key Enterprise and School/District accounts

Solid growth and profitability

10% invoiced revenue growth in Q4 and 21% (pro forma) for the full year 2022
Q4 operating cash flow of \$17.3m, up 28% YoY. For the full year \$42.7m, up 37% YoY.

Clever solid growth in usage and topline

75% of all U.S. K-12 schools now on the Clever platform, continuing to grow
Clever exceeded \$64m for the full year, up 29% YoY on a pro-forma basis

Continued subscription growth

Net new 60K paid subscriptions, totalling 1.3m paid subscriptions, up 18% YoY
Professional users net new 40K from Kahoot Work and School, Actimo and Motimate

Highly scalable Kahoot! core platform

For the full year, Kahoot! core platform exceeded \$75m in invoiced revenues, up 20% YoY

New features to drive frequency of use and engagement

Launched integrations and features for all segments, student-led game experiences, to enable increased learning value, usage and engagement for ~26m active accounts

Powering engaging learning for all

Commercial

Engaging corporate training and communication solutions for all employees



Kahoot!
AT WORK  **actimo**  **motimate**

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  **DragonBox** **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  **Kahoot!**
ACADEMY DROPS

100m+ games played by families LTM

300m+ participants on content from Kahoot! Academy

New and existing customers in Q4

Kahoot! strategic focus areas

ENGAGING LEARNING

Continuous additions to be the most engaging platform



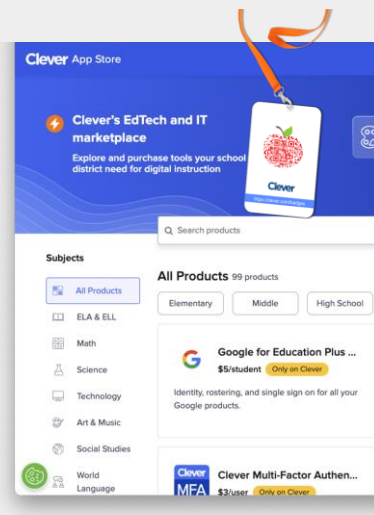
CORPORATE LEARNING

A premium offering to professional users



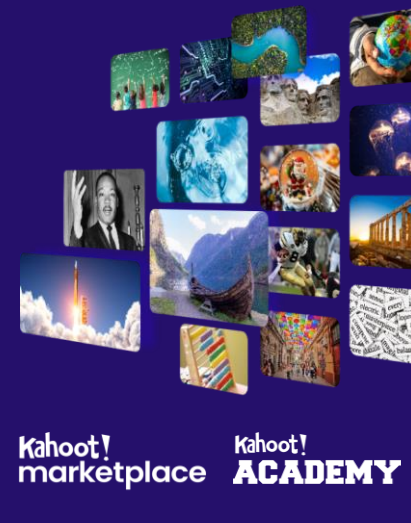
DIGITAL PLATFORM FOR SCHOOLS

One platform and app store for all teaching needs



PREMIUM CONTENT OFFERING

Premium, ready-made content for every learning need



Priorities 2023

LEVERAGE THE SCALABLE PLATFORM AND LEAN OPERATING MODEL,
continue double-digit profitable growth

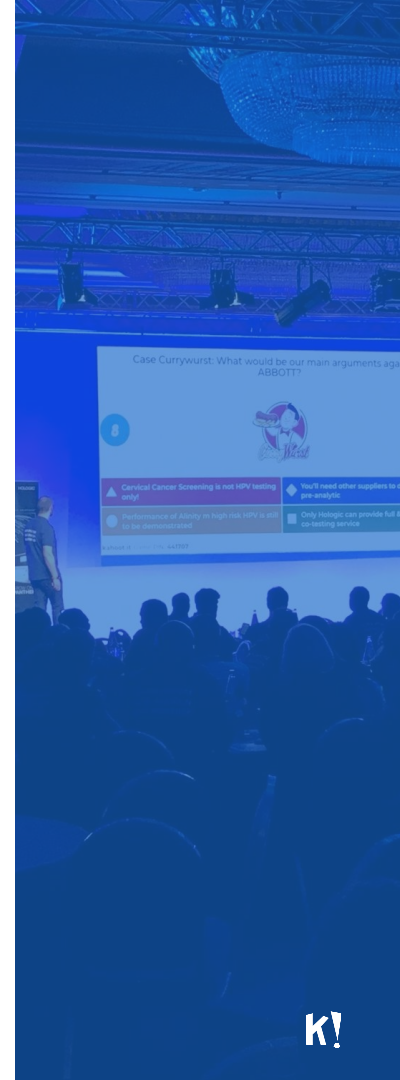
EVOLVE THE KAHOOT! PLATFORM FOR DEEPER AND BROADER LEARNING,
increasing share of wallet in engagement and learning

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 person is holding a smartphone, interacting with an app that features a grid of four colored squares (pink, blue, yellow, green) with geometric shapes. In the background, a green bottle is visible on a table. The scene is dimly lit, suggesting an indoor setting at night or in low light.

Q4 Financials

Ken Østreng, CFO

Continued profitable growth

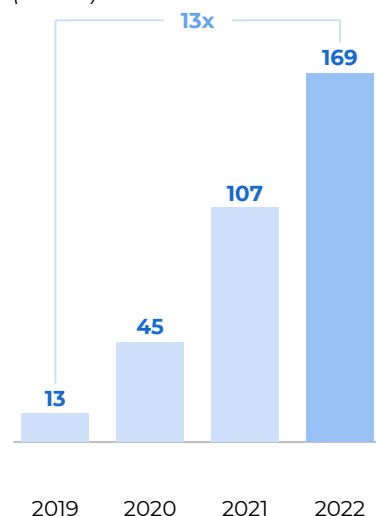
-  Continued scalable growth
-  Expanding profitability
-  Solid cash flow generation and disciplined capital allocation

Continued profitable growth

Proven scalable business model

Billings

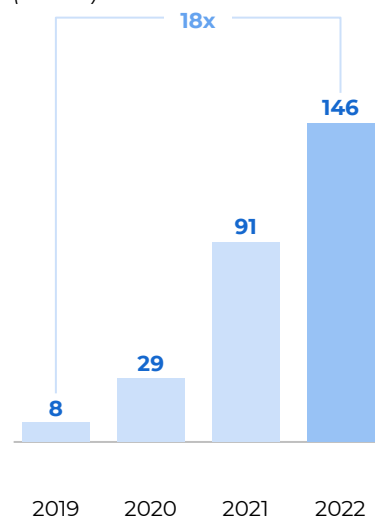
(USDm)



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

Recognized revenue

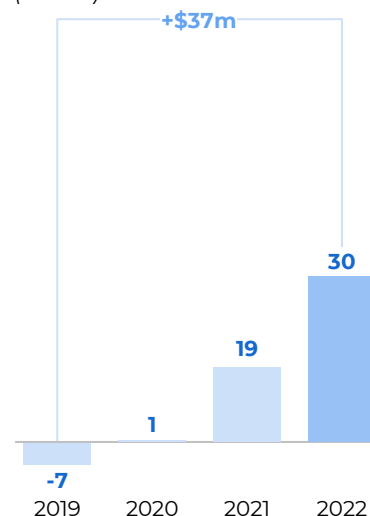
(USDm)



- Revenue growth deriving from recognition of billed prepaid annual subscriptions

Adjusted EBITDA¹

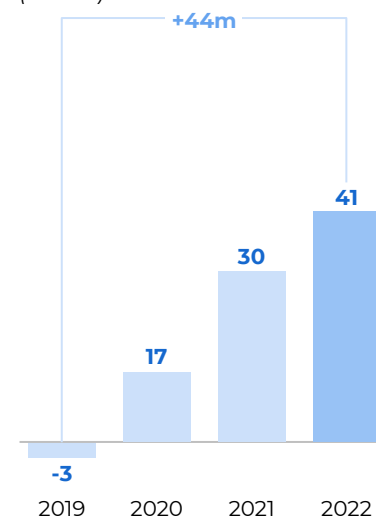
(USDm)



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

Free cash flow^{1,2}

(USDm)



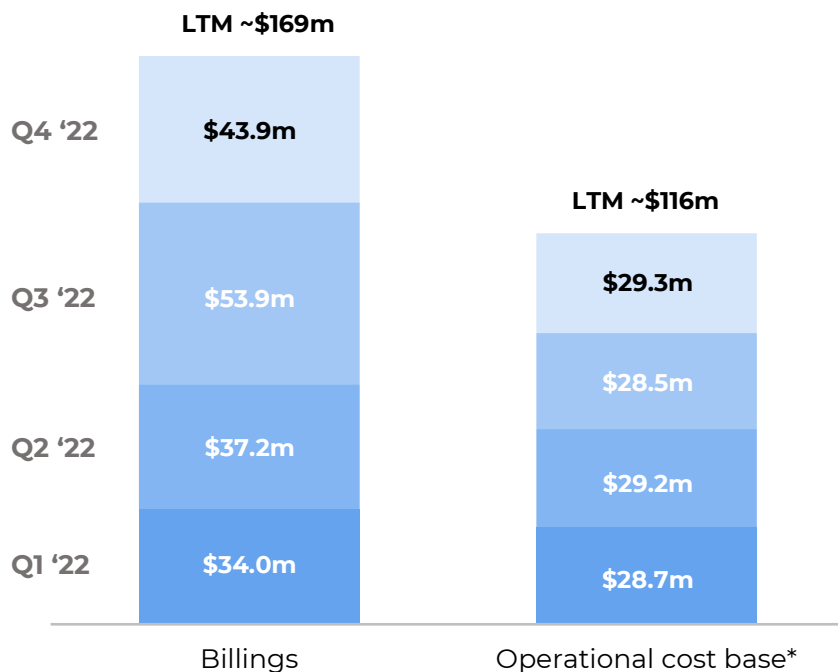
- Solid free cash flow development following the scalable business model with marginal Capex

¹ 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.

² Cash flow from operations minus capex excluding payments for acquisitions (~\$0.2m in 2020, ~\$0.8m in 2021 and ~\$1.5m in 2022).

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

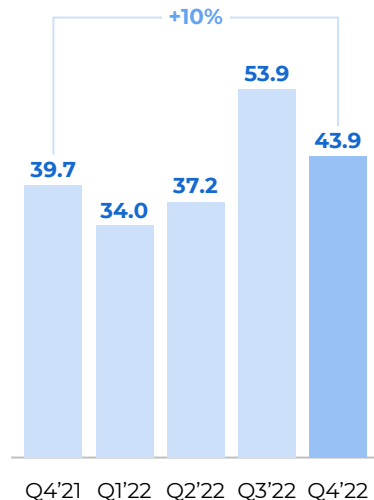
* Not including share-based payment expenses and related payroll taxes for the Group's share option program, acquisition-related expenses and listing cost preparations

Q4 2022 financial highlights

Continued YoY growth

Billings

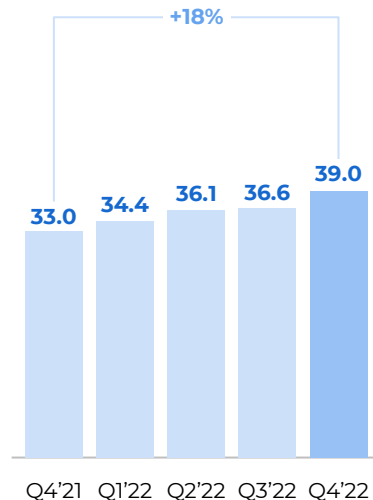
(USDm)



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

Recognized revenue

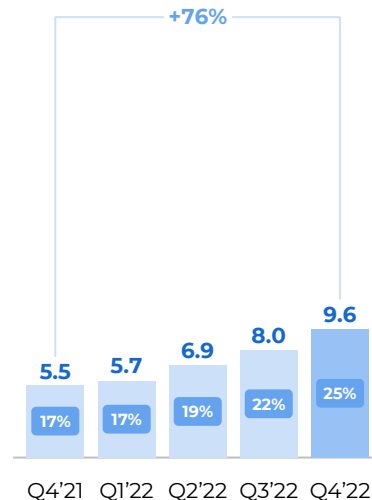
(USDm)



- QoQ revenue growth following recognition of billed prepaid annual subscriptions

Adjusted EBITDA¹

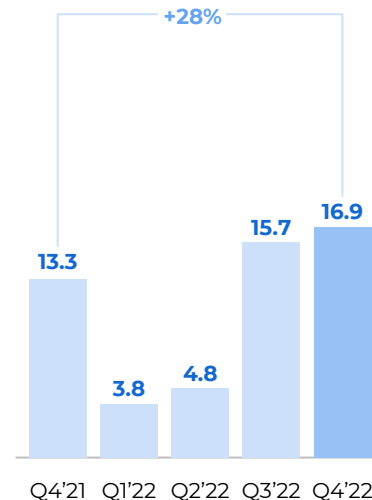
(USDm)



- Continued QoQ adjusted EBITDA improvement and margin expansion

Free cash flow^{1,2}

(USDm)



- Free cash flow from operations following billing seasonality

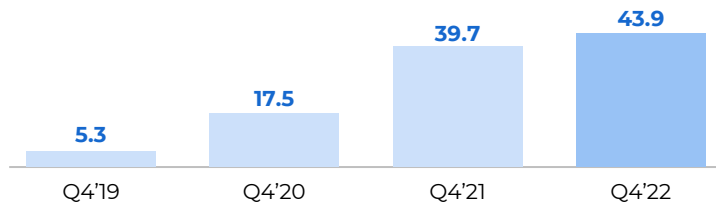
¹ Adjusted for special operating items. Special operating items are material expenses and other material transactions of either a non-recurring nature or special in nature compared to ordinary operational income or expenses and include adjustments for share based compensation expenses and related payroll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

² Cash flow from operations minus capex excluding payments for acquisitions (~\$0.1m in Q4'21, ~\$0.4m in Q1'22, ~\$0.4m in Q2'22, ~\$0.4m in Q3'22 and ~\$0.4m in Q4'22).

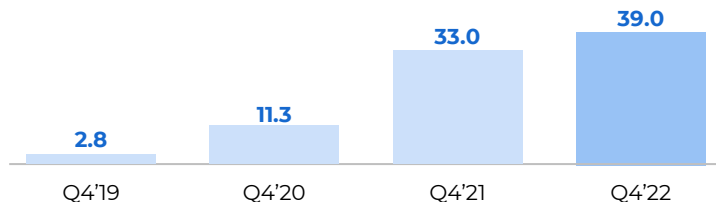
Billing and revenue development

Growth driven by increased number of paid subscriptions

Billings (USDm)



Recognized revenue (USDm)



Paid subscriptions¹

	Q4'19	Q4'20	Q4'21	Q4'22
Paid subscriptions ¹	171	675	1,110	1,310
Commercial	72	245	490	580
Education	75	230	365	435
Consumer & Experience	24	200	255	295

Revenue per geography²

	Q4'19	Q4'20	Q4'21	Q4'22
USA & Canada	46%	47%	53%	65%
Europe	36%	38%	34%	25%
Rest of the world	18%	15%	13%	10%

Billings

- Q4 growth in billings over the past 3 years driven by organic paid subscription growth, and the acquisition of Clever fully included from Q4 2021

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 2022

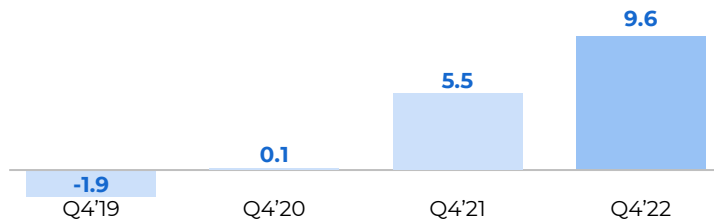
¹ Kahoot! Group excluding Clever. End of period figures.

² Based on billings last twelve months.

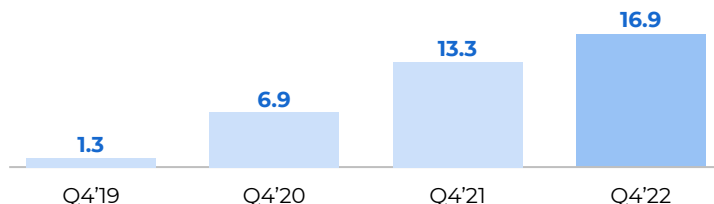
Adjusted EBITDA and cash flow development

Scalable operating model with leverage

Adjusted EBITDA¹ (USDm)



Free cash flow^{1,2} (USDm)



	Q4'19	Q4'20	Q4'21	Q4'22
Recognized revenue	2.8	11.3	33.0	39.0
Cost of sales	0.3	1.3	2.6	1.9
Employee benefit exp.	2.5	5.7	13.9	16.5
Other operating exp.	1.9	4.1	11.1	10.9
Total operating expenses	4.7	11.2	27.6	29.3
Adjusted EBITDA	-1.9	0.1	5.5	9.6
SBC expenses	0.1	2.0	8.8	6.3
SBC payroll tax	2.8	9.4	-3.1	0.4
Transaction cost	0.0	1.0	0.3	0.0
Reported EBITDA	-4.8	-12.2	-0.6	3.0

Adjusted EBITDA

- Continued YoY improvement and increased margin deriving from the scalable operating model
- Q4 2022 up 76% YoY, adjusted EBITDA margin of 25% vs. 17% in Q4 2021

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

Total operating expenses

- Modest Q4 2022 YoY growth of 6% in operating expenses from Q4 2021 (the first full quarter including Clever)

Share-based compensation (SBC) expenses

- Calculated share-based compensation expenses 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

¹ 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.

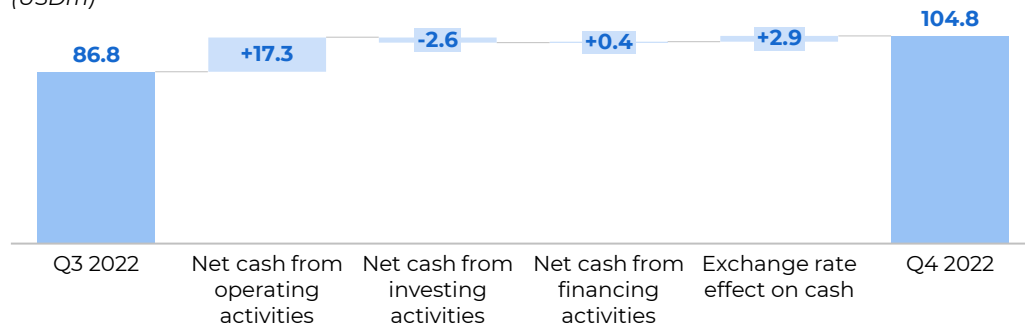
² Cash flow from operations minus capex excluding payments for acquisitions (~\$0.1m in Q4'19, ~\$0.1m in Q4'20, ~\$0.1m in Q4'21 and ~\$0.4m in Q4'22).

Cash position development

Strong cash flow from operations with marginal capex

Cash and cash equivalents bridge from Q3 2022 to Q4 2022

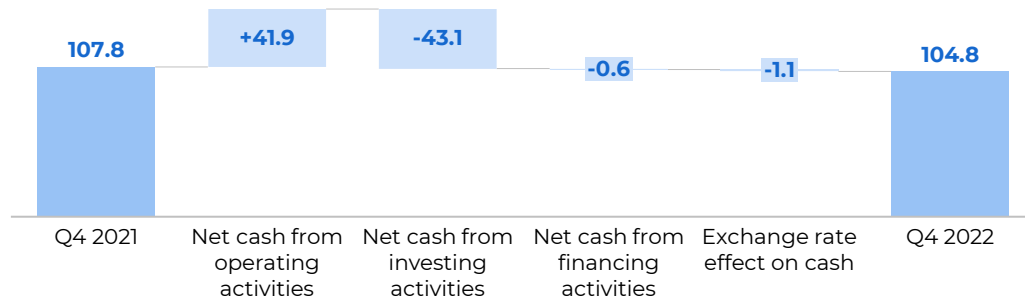
(USDm)



Q4 2022 development

- All time high cash flow from operations in a single quarter of \$17.3m, up 28% YoY
- Net cash flow from investments of -\$2.6m mainly due to deferred payment for the Clever acquisition in-line with agreed payment schedule
- Marginal capital expenditures
- Cash from financing activities of \$0.4m deriving
- Positive exchange rate effect on cash position due to shift in USD exchange rates in the quarter

Cash and cash equivalents bridge from Q4 2021 to Q4 2022



Full year 2022 development

- Adjusted cash flow from operations of \$42.7m (adjusted for \$0.8m in cash effects from share-based payments), up 37% YoY
- Net cash flow from investments of -\$43.1m driven by payment for deferred and contingent consideration for prior years' acquisitions.
- Marginal capital expenditures

Outlook

Full-year 2023, Q1 2023 and long-term ambition

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

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.

Q1 2023

Continued year-on-year growth in billings delivering recognized revenues of \$39-40m 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 in the second quarter of 2023

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



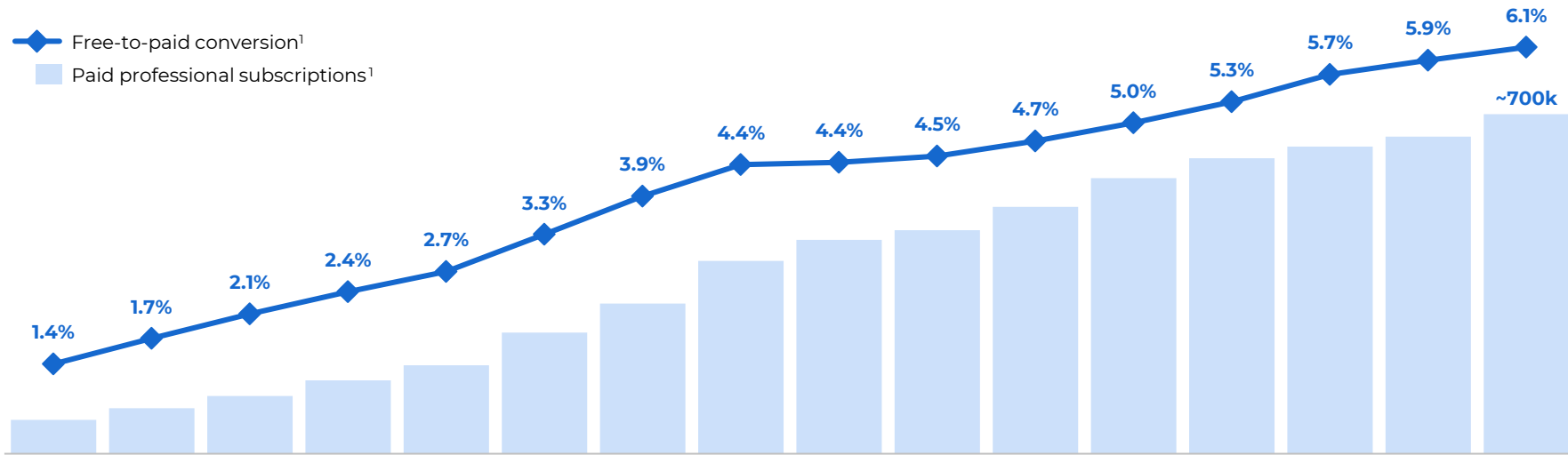
solid financial position for
strategic partnerships and
non-organic growth

Appendix

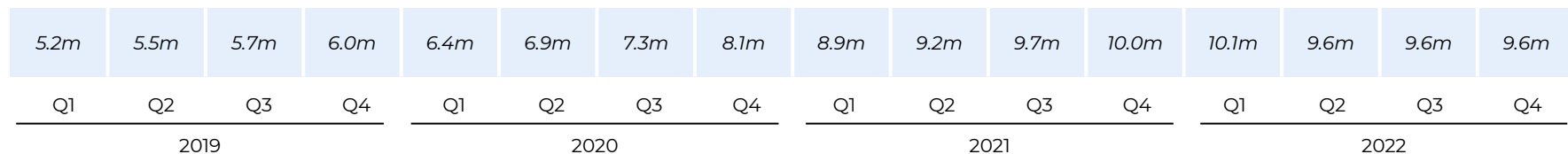


Free-to-paid conversion development

Professional accounts¹ on the Kahoot! platform excl. acquisitions



Active professional accounts¹



¹ 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)

LTM figures (in millions)	2019	2020	2021	2022	3-year CAGR
Active accounts	16	25	31	26	18%
o/w Work	0.4	0.5	0.7	0.9	35%
o/w School	5.7	7.6	9.3	8.7	15%
o/w Home & Study	9.8	16.7	20.9	16.2	19%
Hosted sessions	211	250	310	268	8%
Participants (non-unique)	1,188	1,492	1,976	1,678	12%
Avg. participants per hosted session	5.6	6.0	6.4	6.3	4%
o/w Work	6.9	7.1	7.4	7.5	3%
o/w School	10.6	10.7	10.7	11.1	1%
o/w Home & Study	2.6	3.0	3.0	2.5	-1%

- Active accounts on the Kahoot! platform (over the last twelve months) were 25.8 million, with approx. 268 million hosted sessions, and a total of approx. 1.7 billion participants (non-unique) globally. Active accounts growing annually at 18%, hosted sessions at 8% and participants at 12% last three years
- Increasing number of active K! Work accounts, while K! School and K! Home & Study are normalizing post the pandemic
- Solid engagement through the period with average number of participants stable to slightly up over the last three years

Key financial figures development overview

USDm	Q4'22	Q3'22	Q2'22	Q1'22	Q4'21	Q3'21	Q2'21	Q1'21	Q4'20	Q3'20	Q2'20	Q1'20
Billings	43.9	53.9	37.2	34.0	39.7	27.8	20.6	19.1	17.5	11.6	9.6	6.5
Absolute growth YoY	4.2	26.1	16.6	14.9	22.2	16.2	11.0	12.6	12.2	8.2	7.3	4.5
% Growth YoY	10%	94%	81%	78%	126%	139%	114%	195%	230%	241%	317%	222%
Absolute growth QoQ	-10.0	16.6	3.2	-5.7	11.9	7.2	1.5	1.6	5.9	2.0	3.1	1.1
% Growth QoQ	-18%	45%	9%	-14%	43%	35%	8%	9%	50%	21%	49%	21%
ARR	156	149	143	138	133	124	75	69	60	32	25	18
Revenue and operating income	39.0	36.6	36.1	34.4	33.0	23.7	18.4	16.2	11.3	9.0	5.2	3.8
Cost of sales ¹	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 ²	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 ³	10.9	11.2	12.8	11.3	11.1	7.6	6.1	5.0	4.1	2.3	2.3	1.9
Total operating cost	29.3	28.5	29.2	28.7	27.6	17.7	14.2	12.5	11.2	6.9	5.4	5.2
Adjusted EBITDA	9.6	8.0	6.9	5.7	5.5	6.0	4.2	3.7	0.1	2.2	-0.3	-1.3
As % of revenue	25%	22%	19%	17%	17%	25%	23%	23%	1%	24%	-5%	-35%
Net cash flow from operations⁴	17.3	16.1	5.2	4.2	13.4	7.4	5.0	5.4	7.0	5.2	3.9	1.1
As % of revenue	44%	44%	14%	12%	41%	31%	27%	34%	62%	58%	76%	28%
Cash and cash equivalents	105	87	77	77	108	206	440	254	256	73	73	34
Employee full time equivalents	462	459	443	430	422	415	244	204	182	127	128	120

- 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
- QoQ adjusted EBITDA margin improvement through 2022, Q4 adjusted EBITDA up 76% YoY. Continued solid net cash flow from operations⁴.

¹ Cost of sales only include direct third-party sales and distribution cost. ² Not including calculated share-based payment expenses and related payroll taxes for the Group's share option program. ³ Not including acquisition-related expenses and listing cost preparations. ⁴ 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.

A person is seen from the side, holding a smartphone. The phone screen displays a Kahoot! quiz question in Norwegian: "Du er med!" followed by "Svarer du på skjermen?". In the background, a large screen shows the Kahoot! logo, which consists of the word "Kahoot!" in white on a background of yellow, green, and blue squares. The setting appears to be a classroom or meeting room with a table and other people in the background.

kahoot.com/investor