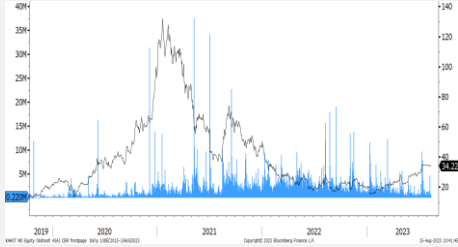


Deal Terms	
1 KAHOT NO = NOK35	
Target: Kahoot	
Country	Norway
Bloomberg	KAHOT NO
Sector	Application Software
Share price (NOK)	34.17
Market cap (NOKm)	16,840.2
Free float (%)	67
Acquirer: Consortium	
Country	
Bloomberg	
Sector	
Share price	
Market cap	
Free float	
KAHOT NO Price Chart	
	
Deal Status: Offer to close on August 25.	
Author	
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Kahoot (KAHOT NO) / Consortium

VOLUNTARY OFFER

While the one-day premium appears to be low, we expect the acceptance condition / delisting threshold to be met given the premium over the unaffected share price.

- The consortium includes Goldman, General Atlantic FT, KIRKBI Invest, Glitrafjord AS and certain other investors and management shareholders.
- The price--which has been declared a **best and final offer** is a 13% premium to the company's pre-suspension price of NOK30.96.

Board / shareholder support

- "The board recommends the offer as it represents a fair valuation of the company, as well as significant opportunities for accelerating the company's journey to become the leading learning platform in the world," Chairman Andreas Hansson said.
- Minimum acceptance condition is 90%. The bidder intends to squeeze-out minorities in case the condition is met.
- In total, Shares representing approximately 37.04% of Kahoot's outstanding share capital are committed to be sold or contributed.
- For a voluntary de-listing, the first step is to obtain a shareholders' resolution to apply for it. This requires a resolution passed by the majority of votes required to amend the company's articles of association (**two-thirds of the votes and the capital represented** if the target is a Norwegian company). The second step is to apply to the Oslo Stock Exchange for approval. **The decision is discretionary, so obtaining the sufficient majority at a general meeting does not necessarily mean that a de-listing will be granted.**
- **If there are remaining minority shareholders** in the company, the Oslo Stock Exchange will weigh the target's interest in obtaining a de-listing against the remaining minority shareholders' interest in maintaining the listing. Key factors in this assessment include:
 - The size of the minority holding, the attitude of the minority shareholders, the quality of the bid.
 - There are several examples of de-listing applications having been granted where the majority voting in favour of de-listing has exceeded 85%.

Valuation / counter bid

- The offer price is the highest since early-2022.
- A counter bid appears unlikely as GA has been a key shareholder since late last year.
- Certain irrevocable undertakings lapse in case the board supports an offer that is at least 10% higher than the current one.
 - Undertakings given in respect of Shares representing c.18.94% of the Outstanding Share Capital may be withdrawn...or a third party makes a competing offer with consideration of a 10% premium to the Offer Price and the Board considers that the terms of the competing offer are as a whole more favourable to all Shareholders"
- The price--which has been declared a **best and final offer** is a 13% premium to the company's pre-suspension price of NOK30.96.
- The acquisition offer for Kahoot represents a **53 per cent premium to the closing price on the Oslo Stock Exchange on May 22, before key disclosures involving co-investors' stock positions.**
- 33.3% to the 3-month volume weighted average price of NOK 26.26 of the Shares as of 13th July 2023; and
- 62.1% to the 6-month volume weighted average price of NOK 21.59 of the Shares as of 13th July 2023.
- Kahoot reached its all-time high at NOK 132 during the Covid pandemic in 2021.
- Kahoot is taken out at a 7.6x 2024 revenue multiple.
- Application software deals (listed European / American target, >\$500m market cap) were struck at an average 6.4x LTM sales multiple in the past 12 months.

Key terms of the offer

Transaction Details

Announcement Date	July 14, 2023
Offer terms	1 KAHOT NO = NOK35
Deal Size (Market Value)	NOK17.2bn
Offer structure	Voluntary offer

If as a result of the Offer, the Offeror acquires and holds more than 90% of all Shares representing more than 90% of the voting rights in Kahoot!, the Offeror will have the right and intends to carry out a **compulsory acquisition of the remaining Shares**. Also, if, as a result of the Offer or otherwise, the Offeror holds a sufficient majority of the Shares, the Offeror intends to propose that the general meeting of Kahoot! passes a resolution to apply to **de-list the Shares from the Oslo Stock Exchange**.

Target's Board Recommendation Voting Agreement

N/A
Yes

Shares representing c.34.20% of Kahoot!'s outstanding share capital as at the date of this announcement (the "Outstanding Share Capital") are committed to be sold or contributed pursuant to the Investment Agreement and various irrevocable undertakings given by Shareholders, members of the Board and senior management.

The largest Shareholder, General Atlantic, a leading global growth equity firm, alongside other Shareholders including KIRKBI, Glitrafjord AS (vehicle controlled by Kahoot!'s CEO Eilert Hanoa), certain other investors and certain members of the Kahoot! management team (including via a pooling vehicle) have entered into an investment agreement with Goldman Sachs Asset Management (the "Investment Agreement") in which they, on certain terms and conditions, agree to (i) contribute, upon completion of the Offer, certain of their Shares representing c.26.68% of the Outstanding Share Capital, to the Offeror against newly issued shares in the Offeror's indirect parent company, or a combination of such Shares and cash, at the Offer Price, and (ii) sell, upon completion of the Offer, certain of their Shares representing c.3.36% of the Outstanding Share Capital, to the Offeror for cash at the Offer Price.

In addition, the Offeror has received irrevocable undertakings to accept the Offer from certain other Shareholders including Datum AS and Creandum III L.P. for Shares representing c.3.96% of the Outstanding Share Capital.

Further, the Offeror has received irrevocable undertakings to accept the Offer from the other Board members who own Shares, being Andreas Hansson (Chairman of the Board), Christer Stefan Blom (Board member), Lori Varner Wright (Board member), Joanne Kuhn Bradford (Board member), Charlotte Kristiansen (Board member), as well as certain other members of the senior management, in respect of Shares representing c.0.21% of the Outstanding Share Capital, directly or through investment companies.

Undertakings given in respect of Shares representing c.18.94% of the Outstanding Share Capital may be withdrawn (in broad terms) if the offer period in respect of the Offer is not commenced on or prior to 16:30 (CEST time) on 31 August 2023 or a third party makes a competing offer with consideration of a 10% premium to the Offer Price and the Board considers that the terms of the competing offer are as a whole more favourable to all Shareholders than the Offer and the competing offer is recommended by the Board.

Target Incorporation

Norway

Deal announcement

Click [here](#) for the announcement

Synergies

N/A

Indicated Closing Date

Second half of 2023.

Dividends

Kahoot does not pay any dividends.

The Offer Price will be reduced by the amount of any dividend or other distributions made by the Company, as further set out in the Offer Document.

Timetable

■ Deal Announcement	July 14, 2023
■ Offer commences	July 28, 2023
■ German filing made	July 28, 2023
■ Turkish filing made	August 7, 2023
■ Q2 webcast	August 17, 2023
■ Offer to close	August 25, 2023
■ Austria antitrust deadline	August 25, 2023
■ Latest offer close (10 weeks)	October 6, 2023
■ Drop-dead date	February 14, 2024

Key conditions to the merger

■ Regulatory approvals	■ Yes
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- All permits, consents, approvals and clearances in connection with any filings or other submission (in any form) required to be made with any regulatory authority (or otherwise requested by any regulatory authority) (“Regulatory Approvals”), in connection with the Offer shall have been obtained without conditions and any applicable waiting periods (including if extended by agreement or otherwise) shall have expired or lapsed, in each case on terms satisfactory to the Offeror (**Austria, Germany, HSR, Turkey, SAMR**)
- **Minimum acceptance**
- **Board recommendation**
- **Ordinary conduct of business**
- **No material breach**
- **No adverse change**
- **No successful competing offer**
- **No legal action**
- 90%: valid acceptance of the Offer by Shareholders representing (when taken together with any Shares acquired or agreed to be acquired by the Offeror other than through the Offer, or which the Offeror is otherwise entitled) more than 90% of the issued and outstanding share capital and voting rights of Kahoot!
- that a unanimous recommendation from the Board, excluding any conflicted Board members pursuant to statutory law, to Shareholders to accept the Offer, has been issued and not, without the Offeror’s written consent, been amended, qualified, modified or withdrawn
- the Group having conducted its business in the ordinary course in all material respects;
- there shall have been no material breach by Kahoot! of the Transaction Agreement and Kahoot! not having terminated or attempted to terminate the Transaction Agreement, or taken any actions or measures which would prevent or frustrate the Offer;
- no material adverse change in relation to the Group;
- no announcement shall have been made that the minimum acceptance condition under any competing offer has been satisfied; and
- no court or other governmental, regulatory authority of competent jurisdiction or other third party shall have taken or threatened to take any form of legal action that will or might (A) restrain or prohibit the consummation of the Offer; or (B) in connection with the Offer impose conditions upon the Offeror or its affiliates, Kahoot! or any of its subsidiaries which are not acceptable to the Offeror in its reasonable judgement.

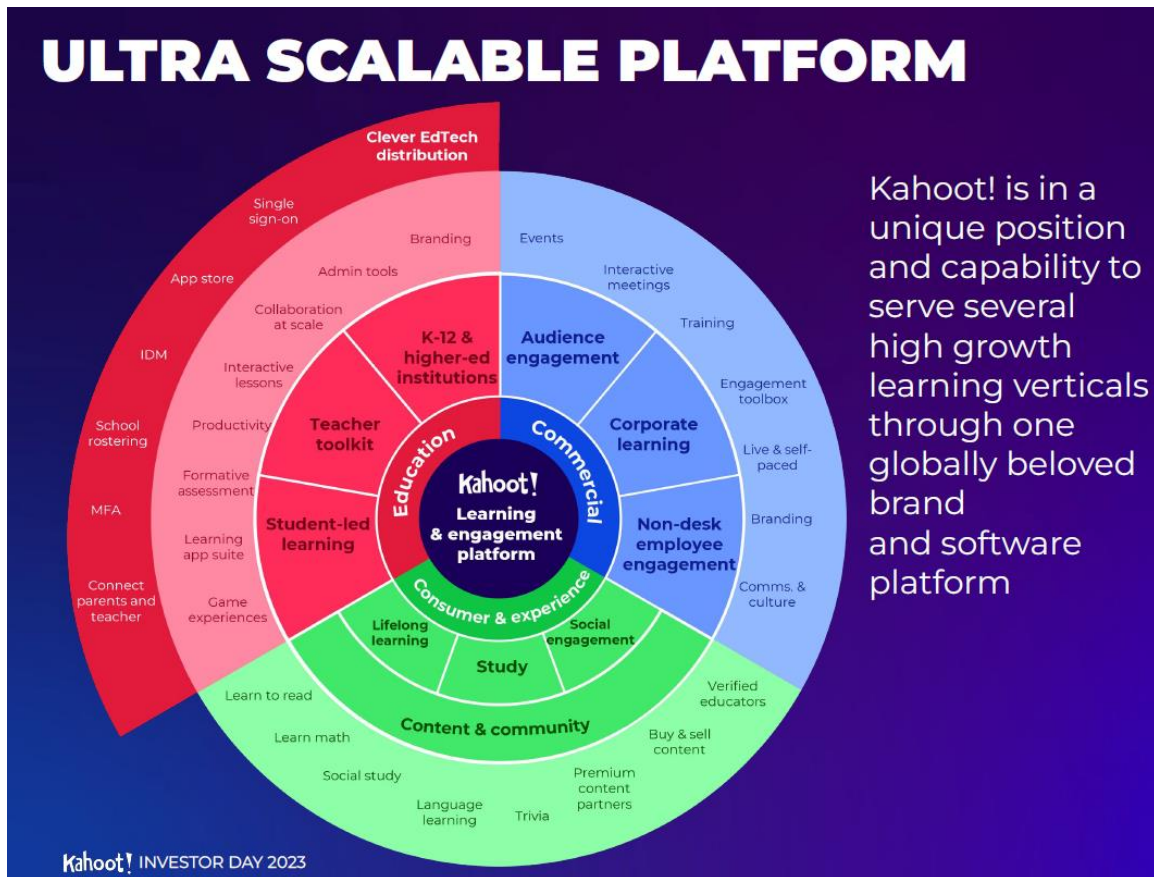
Key KAHOOT Group shareholders

<i>General Atlantic FT BV</i>	15.04%
<i>Glitrafjord AS</i>	8.4%
<i>Folketrygdfondet</i>	5.0%
<i>Creandum III</i>	4.0%
<i>Datum AS</i>	3.7%

Co descriptions & rationale for the merger

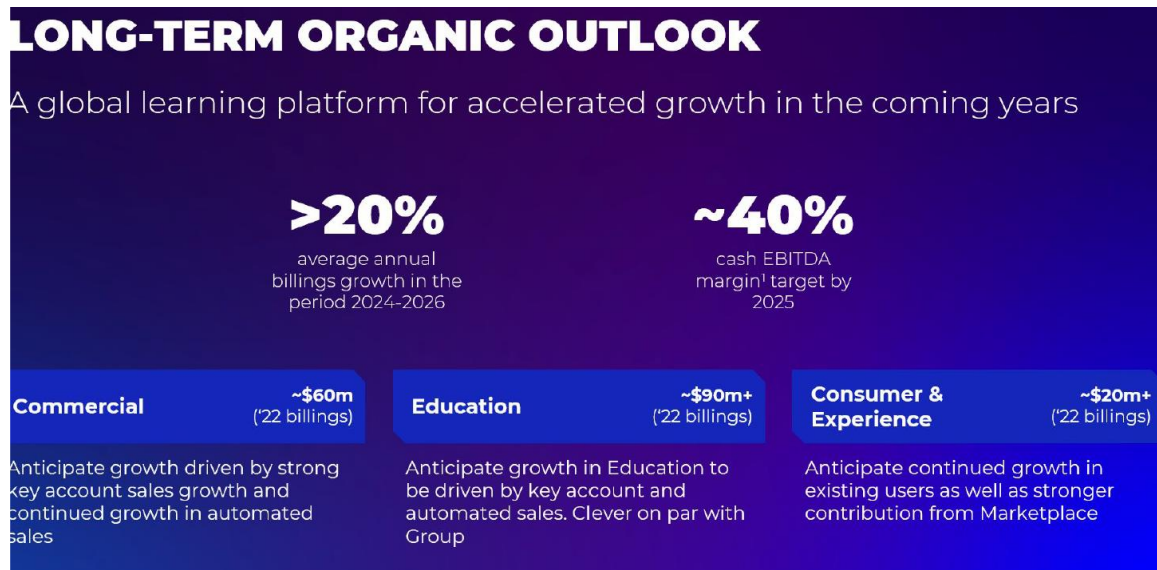
KAHOOT DESCRIPTION

- Kahoot! is a global learning and audience engagement platform company that aims to empower everyone, including children, students and employees to unlock their full learning potential.
- Since the launch of Kahoot! in 2013, Kahoot! has developed from originally offering a game-based platform to a comprehensive offering of engaging tools of all kinds of learning and audience interaction. In 2018, Kahoot! launched its first commercial versions of Kahoot! for school and business users, as well as the Kahoot! app for iOS and Android. Since then, Kahoot! has expanded with the acquisition of seven companies, including Clever, one of the most widely-used digital learning platforms in U.S. schools. Kahoot! is now the preeminent global brand for digital education, engaging learning and audience interaction.



2023 OUTLOOK

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 (cash EBITDA margin) in 2025 (as percentage of billings)



CONSORTIUM

- Goldman Sachs Asset Management provides clients around the world with a dedicated partnership and focus on long-term performance. As the primary investing area within Goldman Sachs (NYSE: GS), we deliver investment and advisory services for the world's leading institutions, financial advisors and individuals, drawing from our deeply connected global network and tailored expert insights, across every region and market—overseeing more than \$2 trillion in assets under supervision worldwide as of June 30, 2023. Driven by a passion for our clients' performance, we seek to build long-term relationships based on conviction, sustainable outcomes, and shared success over time. Goldman Sachs Asset Management invests in the full spectrum of alternatives, including private equity, growth equity, private credit, real estate and infrastructure. Established in 1986, the Private Equity business within Goldman Sachs Asset Management has invested over \$75 billion since inception. We combine our global network of relationships, our unique insight across markets, industries and regions, and the worldwide resources of Goldman Sachs to build businesses and accelerate value creation across our portfolios.
- General Atlantic is a leading global growth equity firm with more than four decades of experience providing capital and strategic support for over 500 growth companies throughout its history. Established in 1980 to partner with visionary entrepreneurs and deliver lasting impact, the firm combines a collaborative global approach, sector specific expertise, a long-term investment horizon and a deep understanding of growth drivers to partner with great entrepreneurs and management teams to scale innovative businesses around the world. General Atlantic has more than \$75 billion in assets under management inclusive of all products as of March 31, 2023, and more than 220 investment professionals based in New York, Amsterdam, Beijing, Hong Kong, Jakarta, London, Mexico City, Miami, Mumbai, Munich, San Francisco, São Paulo, Shanghai, Singapore, Stamford and Tel Aviv.
- KIRKBI A/S is the Kirk Kristiansen family's private holding and investment company founded to build a sustainable future for the family ownership of the LEGO® brand through generations. KIRKBI's work is focused on three fundamental tasks all contributing to enabling the Kirk Kristiansen family to succeed with the mission to inspire and develop the builders of tomorrow: KIRKBI works to protect, develop and leverage the LEGO brand across all the LEGO branded entities. KIRKBI is committed to a long-term, responsible investment strategy to ensure a sound financial foundation for the owner family's activities as well as contribute to a sustainable development in the world. KIRKBI is dedicated to support the family members as they prepare for future generations to continue the active and engaged ownership as well as support their private activities, companies, and philanthropic work. KIRKBI's strategic activities include 75% ownership of the LEGO Group and 47.5% ownership of Merlin Entertainments.
- Datum AS is a Norwegian investment company owned by the Jan Haudemann-Andersen. Datum AS owns 18,000,000 Shares, representing approximately 3.65% of the Outstanding Share Capital. Its related party, Datum Invest AS owns 2,999,011 Shares, representing approximately 0.61% of the Outstanding Share Capital.
- Aequitas AS is a Norwegian private limited liability company, wholly owned by Aequitas Investments Limited, a company incorporated in the British Virgin Islands, associated with certain members of the Høegh Family. Aequitas AS does not hold Kahoot! Shares as at the date of this Offer Document.
- Glitrafjord AS is a Norwegian investment company indirectly owned by the Company's CEO, Eilert Hanoa. Glitrafjord AS owns 41,283,910 Shares, representing approximately 8.38% of the Outstanding Share Capital.
- Manco is a newly established Norwegian private limited liability company, owned directly or indirectly the Management Co-Investors.

STRATEGIC RATIONALE

- Goldman Sachs Asset Management will seek to support Kahoot!'s mission to provide lifelong learning opportunities for children, students and enterprise customers. Goldman Sachs Asset Management believes that Kahoot! provides a strong platform for further growth and value creation given its unique brand and product offering, customer base, extensive reach and highly scalable technology and operations.
- Together with Eilert Hanoa and the Co-Investors, Goldman Sachs Asset Management believes that Kahoot! will benefit from operating as a private company in the years ahead, as it seeks to invest in continued innovation and the next generation of product offerings. The Investors intend to support Kahoot! in the development of its current business and on its continued growth journey, both organically and through acquisitions. In a private setting supported by the Investors, Kahoot! would have access to the capital needed to significantly enhance its go-to-market strategy and make transformational investments to accelerate its growth agenda. The Investors are also convinced that the Offeror will seek to contribute by offering Kahoot! global resources, networks and expertise in scaling technology companies.

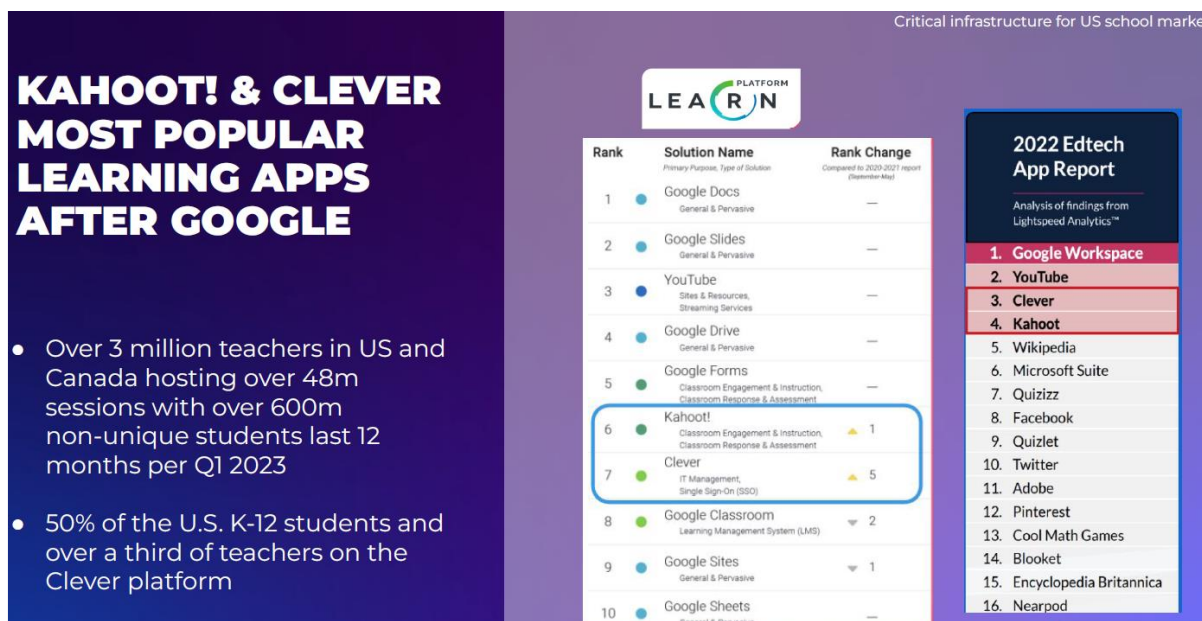
Key risks

BOARD / SHAREHOLDER ACCEPTANCE

- "The board recommends the offer as it represents a fair valuation of the company, as well as significant opportunities for accelerating the company's journey to become the leading learning platform in the world," Chairman Andreas Hansson said.
- Minimum acceptance condition is 90%. The bidder intends to squeeze-out minorities in case the condition is met.
- In total, Shares representing approximately 37.04% of Kahoot!'s outstanding share capital are, on certain terms and conditions, committed to be sold or contributed pursuant to the Investment Agreement (as further described in the announcement dated 14 July 2023) and various pre-acceptance undertakings given by Shareholders, members of the Board and senior management.
- 2022 September:
 - Kahoot shares surged after private equity group General Atlantic agreed to buy a 15 per cent stake in the online education provider.
 - Shares in Kahoot rose as much as 28 per cent to Nkr23 in morning trading on Friday, although they are still less than half their level at the start of the year.
 - Nordea Bank estimated that SoftBank purchased shares in Kahoot at an "average price of Nkr63" a share
 - A potential sell down from SoftBank has continued to pressure the share.
- [Back-end transaction](#)
 - If as a result of the Offer, the Offeror acquires and holds **more than 90%** of all Shares representing more than 90% of the voting rights in Kahoot!, the Offeror will have the right and intends to carry out a compulsory acquisition of the remaining Shares. Also, if, as a result of the Offer or otherwise, the Offeror holds **a sufficient majority** of the Shares, the Offeror intends to propose that the general meeting of Kahoot! passes a resolution to **apply to de-list** the Shares from the Oslo Stock Exchange.
 - **Delisting:** For a voluntary de-listing, the first step is to obtain a shareholders' resolution to apply for it. This requires a resolution passed by **the majority of votes required to amend the company's articles of association. (Two-thirds of the votes and the capital represented if the target is a Norwegian company.)** The second step is to apply to the Oslo Stock Exchange for approval. **The decision is discretionary, so obtaining the sufficient majority at a general meeting does not necessarily mean that a de-listing will be granted.**
 - **If there are remaining minority shareholders** in the company, the Oslo Stock Exchange will weigh the target's interest in obtaining a de-listing against the remaining minority shareholders' interest in maintaining the listing. **Key factors in this assessment include:**
 - **The size of the minority holding** (both in terms of percentage of the total share capital and in number of shareholders).
 - **The attitude of the minority shareholders** (the higher the number of minority shareholders who object to a de-listing, the more difficult it will be to obtain one).
 - The quality of the bid preceding the de-listing application (that is, it is easier to obtain a de-listing if a bid with a reasonable premium has been made).
 - **There are several examples of de-listing applications having been granted where the majority voting in favour of de-listing has exceeded 85%.**

REGULATORY, TIMING

- Approvals required include Austria, Germany, HSR, Turkey, SAMR.
- We found no signs of competitors among the consortium members' portfolios.
- We expect a simplified SAMR review due to the low APAC revenue figure.



FINANCING

- Goldman, along with KKR Capital Markets LLC, plans to line up direct lenders for \$325 million of financing they underwrote to support the buyout of online education company Kahoot by a consortium of investors, according to people familiar with the transaction.
- The group is aiming for a rate on the loan of around 650 basis points above Euribor, according to the people
- The deal is being marketed assuming Kahoot will generate adjusted earnings before interest, taxes, depreciation and amortization of around \$70 million, according to the people, more than double its \$30.2 million takings for the 2022 financial year. The company reported adjusted Ebitda of \$10 million in the first quarter of 2023, and around \$11 million in the second quarter, up from \$5.7 million and \$6.9 million, respectively, in the prior year.
- Ken Østreg, the CFO of Kahoot, said the firm anticipated double-digit year-on-year growth in billings, with revenue over \$170 million. Annual growth in the company's operational cost base would be "modest", he said, with adjusted Ebitda exceeding 40% year-on-year growth and solid free cash flow. He declined to comment on the marketed Ebitda figure.

COUNTER BID

- A counter bid appears unlikely as GA has been a key shareholder since late last year.
- Certain irrevocable undertakings lapse in case the board supports an offer that is at least 10% higher than the current one.
 - Undertakings given in respect of Shares representing c.18.94% of the Outstanding Share Capital may be withdrawn...or a third party makes a competing offer with consideration of a 10% premium to the Offer Price and the Board considers that the terms of the competing offer are as a whole more favourable to all Shareholders"
- General Atlantic has been exploring ways to boost its stake in the Oslo-based company, which offers educational games, quizzing tools and other learning apps, Bloomberg reported previously.
- Kahoot reached its all-time high at NOK 132 during the Covid pandemic in 2021.
- The offer price is the highest since early-2022.

Valuation

PREMIUM

- The Offer Price represents a premium of:
 - 53.1% to the closing price on the Oslo Stock Exchange on 22nd May 2023 of NOK 22.86, being the last trading day prior to the day when the shareholding positions of Co-Investors were publicly disclosed (such disclosures having been made as part of the 2023 AGM voting process)
 - 33.3% to the 3-month volume weighted average price of NOK 26.26 of the Shares as of 13th July 2023; and
 - 62.1% to the 6-month volume weighted average price of NOK 21.59 of the Shares as of 13th July 2023.

PRECEDENTS

- Kahoot is taken out at a 7.6x 2024 revenue multiple.
- CSOD was acquired at 6x LTM sales in late 2021.
- Application software deals (listed European/American target, >\$500m market cap) were struck at an average 6.4x LTM sales multiple in the past 12 months.

Disclosures:

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