

29 April 2022

ASX/Media Release (ASX: KNM)

## Quarterly Activities Report & Appendix 4C

Online education publisher KneoMedia Limited (“KneoMedia” or the “Company”) (ASX: KNM) is pleased to provide this update on activities and performance for the quarter ended 31 March 2022 (the ‘quarter’). The Company continued its focused roll-out of the *Connect ALL Kids* education initiative across New York as well as pursuing opportunities for growth in Florida.

### HIGHLIGHTS

- Increased investment into the KneoWorld technology undertaken on the back of collaborative work with the New York City Department of Education (‘NYC DOE’)
- Growing commitment to the *Connect ALL Kids* from the NYC DOE have progressed regarding new significant deployments
- Continued efforts to expand its presence into the broader New York State and Florida education markets
- Balance sheet strengthened following company-led placement raising \$2,075,000
- KneoMedia is sufficiently funded until *Connect All Kids* sales materialise in NYC

**Chief Executive Officer James Kellett said:** *“Our continued collaboration and dialogue with the New York City Department of Education has placed us in a great position to significantly grow the number of KneoWorld deployments across the City. Their growing commitment comes on the back of ‘Connect ALL Kids’ participants achieving excellent educational outcomes and extensive work to align our platform content to suit the needs of those using the technology.*

*“We are now in a position where deployments of significantly greater value than those already achieved are close to being secured. Moving into the next quarter we will continue to work closely with the New York DOE to advance these deployments, using the schools which are already utilising the technology as key reference points to demonstrate the advantages the platform brings to students.*

*“Opportunities to further deliver sales uptake into regions earmarked for expansion have also progressed. Encouraging discussions with school districts in both New York State and Florida were hosted and we remain confident that we will begin to see deployments materialise in these two regions.”*

### OPERATIONAL REVIEW

KneoMedia increased its investment into its KneoWorld technology during the quarter following growing commitments from the NYC DOE to the *Connect ALL Kids* initiative, as flagged at the Company’s Annual General Meeting late last year. The continual investment into the platform follows ongoing collaborative work undertaken with the NYC DOE to ensure that the platform content aligns with the requirements of the DOE and the local schooling districts.

The growing commitment from the NYC DOE is on the back of numerous deployments into the city with 80 schools across the NYC public school system now deploying the KneoWorld technology. As these numbers continue to increase, it becomes a significant catalyst and reference point for additional schools seeking to enhance their use of innovative educational technologies.

Major deployments of significantly greater value than those already secured with the NYC DOE were progressed during the quarter. While these opportunities are primarily centered in New York City, the Company also further advanced discussions more widely across additional New York State schooling districts as well into the Florida education market.

These opportunities are anticipated to continue to progress over the coming quarter, KneoMedia expects to be able to report in further detail during the June 2022 quarter.

## **FINANCIAL REVIEW**

During the quarter, KneoMedia successfully completed a company led placement raising \$2,075,000 through the issue of 166,000,000 fully paid ordinary shares at \$0.0125 per share to new and existing investors. Subscribers to the placement received one free attaching option for every two placement shares. The options are exercisable at \$0.025 and expire 31 December 2023.

Funds will be utilised to underpin the anticipated deployment of new sales contracts anticipated to be secured, primarily in New York, with these potential contracts being substantially larger than previously undertaken. The placement leaves KneoMedia in a strong financial position with the flexibility to aggressively pursue new sales contracts and growth opportunities. At the end of the quarter the Company has \$1.54 million cash at bank and is sufficiently funded until such time that the next sales materialise.

### **About KneoMedia Limited:**

**KneoMedia Limited (ASX: KNM) is a SaaS publishing company that delivers world-class education and assessment products to global markets in both special and general education classrooms via its KneoWorld portal special and general education classrooms via its KneoWorld portal. Student seat licences are sold to education departments on an annual basis and via distribution agreements. The KneoWorld platform is a story-based and game assessment learning program that provides engaging and effective ways for students to process and apply academic skills and concepts. Researched and evidence based, programs are mapped and measured to curriculum with student performance data delivered via the educator dashboard. KneoWorld is fully compliant with child online privacy protection including US COPPA and European GDPR. Our proven ability to engage, educate and assess provides a global education market opportunity selling on a business to business strategy and more recently business to consumer.**

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of the Appendix 4C includes Directors' fees and salaries (including superannuation).

Authorised for release by the Board

### **For further information, please contact:**

James Kellett  
Chief Executive Officer

T: +61 1300 155 606 M: +61 439 805 070

E: [jkellett@kneomedia.com](mailto:jkellett@kneomedia.com)

Eryl Baron

Company Secretary

T: +61 1300 155 606

E: [Eryl.baron@boardroomlimited.com.au](mailto:Eryl.baron@boardroomlimited.com.au)

Released through: Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448



KNeoMedia on Twitter: <http://twitter.com/KNeoMedia>

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

KNEOMEDIA LIMITED
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**ABN**

41 009 221 783
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**Quarter ended ("current quarter")**

31 MARCH 22
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2	334
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(52)	(99)
(c) advertising and marketing	(176)	(551)
(d) leased assets	-	-
(e) staff costs	(181)	(759)
(f) administration and corporate costs	(277)	(789)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(684)</b>	<b>(1,864)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	(180)	(569)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(180)</b>	<b>(569)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,062	2,713
3.2	Proceeds from issue of convertible debt securities	-	1,250
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,062</b>	<b>3,963</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	329	7
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(684)	(1,864)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(180)	(569)

Appendix 4C  
Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,062	3,963
4.5	Effect of movement in exchange rates on cash held	16	6
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,543</b>	<b>1,543</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,543	329
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,543</b>	<b>329</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(104)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	2,000	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	2,000	-
7.5 <b>Unused financing facilities available at quarter end</b>		2,000
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
7.2 Access to a \$2m facility provided by Stratford Capital valid to 31 January 2023.		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(684)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,543
8.3 Unused finance facilities available at quarter end (item 7.5)	2,000
8.4 Total available funding (item 8.2 + item 8.3)	3,543
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	5
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: n/a	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....29 April 2022.....

Authorised by: .....James Kellett, Director, Chief Executive Officer.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.