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30 October 2024 **ASX/Media Release (ASX: KNM)**

Quarterly Activities Report & Appendix 4C

KNeoMedia Limited ("**KneoMedia**", "**KNM**" or the "**Company**"), a Software as a Service (SaaS) and Content Services Platform (CSP) publishing company delivering world-class education and assessment products, provides this update on activities and performance for the quarter ended 30 September 2024. All figures are in AUD unless stated otherwise.

Corporate Update

Since the Company's shares were suspended from trading on the Australian Securities Exchange (ASX) on 7 March 2024, the Board has been fully focused on securing the necessary funding and meeting listing rule requirements to facilitate the resumption of trading on the ASX. This process included the now completed audit of the Company's FY 2024 Financial Report and evidence of an appropriate level of working capital. In this regard, a securities placement to sophisticated investors of $1 million, that also accepted over subscriptions of $250,000, was completed, details of which were provided in the Appendix 3B release to the ASX on 5 July 2024. At an Extraordinary General Meeting on 27 August 2024 shareholders voted overwhelmingly to approve the issue of shares in respect of that placement.

The trading of the securities from the placement remains subject to the issue of a prospectus, due to the Company's period of suspension.

In the next few days, the Company will issue a prospectus inclusive of a fully underwritten Entitlements Issue of $1.245 million to enable existing shareholders to maintain their pro-rata equity position, on the same terms as the recent placement.

Financial and Operational Review

As in previous years under the Connect All Kids Initiative, the first licence renewal of the KneoWorld Platform was received, with the Company's share of this revenue being US$450,000 (A$665,000). This resulted in net cash from operating activities of $476,000.

The Company continued to invest in Intellectual Property to the tune of $307,000 (June quarter $391,000) associated with KneoWorld technology but primarily with the development of the additional **KneoScience** Edtech CSP developed in close cooperation with the NYC DOE.

As a result of the co-design and development investment in KneoScience, on 15 October, KneoMedia announced deployment of its new EdTech CSP solution for mandated New York City Department of Education Curriculum**,** to three districts within the New York City Department of Education (NYC DOE) encompassing an initial 35,000 licence deployments to elementary and middle school students.

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The Science Investigations in New York State, including New York City, are mandated for all public, private and charter schools and encompass grades of 3 to 8. The Science Investigations are ongoing throughout the year, recurring year on year, and are practical 'investigations' undertaken to help assess if students have developed a deeper understanding of scientific concepts and principles, by having them engage in hands-on experiments to test how they apply their knowledge to real-world situations and record their findings. Immediate benefits of converting the current paper-based Science Investigations to the KneoScience digital platform include and are not limited to:

- Anticipated increase in students' science grades.
- Minimum 50% time and cost saving in the classroom and time saving for teachers' grading of student investigations with including optional AI grading.
- Removal of paper based investigations often lost over the duration of the students' investigations.
- Realtime comparative data of student, class, school and District level performance.
- Secure student data is available on an ongoing basis for real-time review to measure academic progression and is transferable with student relocations.

KneoMedia has created a unique Digital CSP to embrace multiple languages, to replace the current complex and cumbersome paper-based format of the instruction, reporting and grading of the Science Investigations. Accordingly, the new platform is vastly more efficient, easier to implement, saves a significant amount of time for both students and teachers, and includes delivery and ongoing easy access to in-depth assessment data at student, class and school level.

KneoScience is being launched at a critical time for NYC DOE given data supports only 30% of students in New York City were proficient in science in the 2023-2024 State exam.

The number of public school students mandated to undertake the Science Investigations in New York City each year is approximately 400,000. KneoMedia has received written approval from DOE central product management division to deploy KneoScience to adopt the co-designed platform for the first 120,000 students for the 2024-2025 school year. Of these, the CSP is being deployed in three school districts in the Bronx and Queens to the first 35,000 students. These three Districts will provide training assistance to further Districts. This approval also includes the DOE IT and Legal Departments, thus cementing commercial terms which are confidential at this time. As in previous deployments of the KneoWorld platform, and while KneoScience seat licencing pricing remains commercial-in confidence, final contracts are executed post deployment prior to payment.

RELATED PARTY PAYMENTS

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

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AUTHORISED FOR RELEASE BY THE BOARD.

About KNeoMedia Limited:

KneoMedia Limited (ASX: KNM) is a SaaS and CSP publishing company that delivers world-class education and assessment products to global markets in both general and special education classrooms via its KneoWorld and KneoScience platforms. Student seat licences are sold to education departments on an annual basis and via distribution agreements. Researched and evidence based, programs are mapped and measured to curriculum or deliver curriculum with student performance data delivered via the educator dashboard.

KneoWorld and KneoScience are 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.

For further information, please contact:

Visit the InvestorHub here: https://investorhub.kneomedia.com/

James Kellett
Chief Executive Officer
T: +61 1300 155 606 M: +61 439 805 070
E: jkellett@kneomedia.com

Eryl Baron
Company Secretary
T: +61 1300 155 606
E: Eryl.baron@boardroomlimited.com.au

Appendix 4C

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

Name of entity

KNEOMEDIA LIMITED

ABN	**Quarter ended ("current quarter")**
41 009 221 783	30 September 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	665	665
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(34)	(34)
	(c) advertising and marketing	(116)	(116)
	(d) leased assets		
	(e) staff costs	(54)	(54)
	(f) administration and corporate costs	15	15
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)	-	-
1.9	**Net cash from / (used in) operating activities**	**476**	**476**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	(307)	(307)
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(307)**	**(307)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	100	100
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(48)	(48)
3.5	Proceeds from borrowings	30	30
3.6	Repayment of borrowings	(12)	(12)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**70**	**70**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	33	33
4.2	Net cash from / (used in) operating activities (item 1.9 above)	476	476
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(307)	(307)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	70	70
4.5	Effect of movement in exchange rates on cash held	(19)	(19)
4.6	**Cash and cash equivalents at end of period**	**253**	**253**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	253	33
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) cash in transit	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**253**	33

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	2,000	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	2,000	-

7.5	**Unused financing facilities available at quarter end**	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 2025.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	476
8.2	Cash and cash equivalents at quarter end (item 4.6)	253
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)	2,253
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	N/a

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.

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

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.

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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: 30 October 2024.....

Authorised by: The Board of Directors.....
(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.

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