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30 January 2025 **ASX/Media Release (ASX: KNM)**

Quarterly Activities Report & Appendix 4C

KNeoMedia Limited ("**KneoMedia**", "**KNM**" or the "**Company**"), a SaaS and CSP publishing company delivering world-class education and assessment products, provides this update on activities and performance for the quarter ended 31 December 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 remained fully focused on securing the necessary funding and meeting listing rule requirements to facilitate the near-term resumption of trading on the ASX, while ensuring continuation of current and future business operations and opportunities. This process included the now completed, satisfactory audit of the Company's FY 2024 Financial Report, and evidence of an appropriate level of working capital. In this regard, a capital raising placement to sophisticated investors of $1.25 million was completed in September 2024. At an Extraordinary General Meeting on 27 August 2024, shareholders approved the issue of shares in respect of that placement.

On 6 December 2024, the Company issued a prospectus in relation to a fully underwritten entitlement offer to raise approximately $1.657 million. The pro-rata entitlement offer enabled existing shareholders to participate in a capital raising on effectively the same terms as the recent placement. Sub-underwriting was also undertaken by Directors including conversion to equity of Director loans to the Company. The completion of the fully underwritten entitlement offer, the impact of which was set out in the pro-forma balance sheet contained in the Prospectus, was announced on 4 December 2024.

With the completion of the September share placement and the November entitlement offer, together with growing sales revenue, the Directors believe the Company has sufficient working capital to meet the timely payment of its debts and its business objectives over the next 12 months. Furthermore, the anticipated increasing KneoScience revenue supports further positive cash-flow. Accordingly, the Directors' Going Concern Statement in the FY 2024 Annual Report remains valid with key assumptions having been realised or on target.

Financial and Operational Review

During the quarter an additional licence renewal was achieved under the 'Connect All Kids' Initiative for the Company's KneoWorld Platform, its share being US$450,000 (approx A$726,000) with proceeds in transit at quarter end and banked resulting in positive operating cash for the Quarter. The additional contracted licence renewal is for the period July 2024 to June 2025 and confirms the ongoing appeal of the KneoWorld Platform while the Company also pursue further uptake scaling of its new KneoScience Edtech Content Services Platform **(CSP).**

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The Company continued to invest in Intellectual Property of $186,000 (September quarter $307,000) primarily on the development of the additional **KneoScience CSP** developed in close cooperation with the New York City Department of Education ("NYC DOE").

As a result of the co-design and the Company's development investment in KneoScience, on 16 October 2024, KneoMedia announced deployment of its new EdTech Platform solution for mandated New York City Department of Education Curriculum**,** to three districts within the NYC DOE encompassing an initial 35,000 licence deployment to elementary and middle school students.

- **Additional Districts** - Since that announcement KneoScience has been deployed to a further 3 Districts now encompassing a total of 100,000 elementary and middle school students with a further 5 Districts currently reviewing the platform for adoption.

- **Agreement progression** - Based on recent District deployments, the total student numbers now approaching the proposed agreement with the DOE for initial deployment to 120,000 students, for the 2024-2025 school year, as reported in the FY 2024 Annual Report, at a now anticipated value of USD3.6 million on a recurring annual student seat licence basis. Negotiations are well advanced with respect to the proposed contract and the Company anticipates reporting confirmation of the contract and payment in the near term. Additional Districts seeking to adopt the **KneoScience CSP** digital platform in lieu of the cumbersome paper-based platform, will give rise to further proportionate revenue. To date none have declined the adoption of the platform.

- **High School Inclusion** – The initial Science Investigations included grades 3-8 in Elementary and Middle Schools. At the request of the DOE, KNM has now added the Biology Investigations for High School students to its Content Services Platform and envisages deployment to students in February 2025. This is a most significant development and reinforces the unique value the DOE attributes to the KneoScience platform. The inclusion of 530 High Schools increases potential student deployment by 300,000 and, subject to final agreement, potential substantial revenue.

For continuity of context, following is an extract of the Company's 16th October 2024 ASX announcement:

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 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.*

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- *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 Content Services Digital Platform, 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 an initial 35,000 students. These three Districts will provide training assistance 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.

CONTINUOUS DISCLOSURE

KNM confirms its general compliance with listing rules including LR 3.1 (continuous disclosure).

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).

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/

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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	31 December 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	665
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(59)	(93)
	(c) advertising and marketing	(133)	(249)
	(d) leased assets		
	(e) staff costs	(291)	(345)
	(f) administration and corporate costs	(187)	(172)
1.3	Dividends received (see note 3)		-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (customer operating receipts in transit)	726	726
1.9	**Net cash from / (used in) operating activities**	**57**	**533**

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	(186)	(493)
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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**	**(186)**	**(493)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,766	1,866
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	(81)	(129)
3.5	Proceeds from borrowings	-	30
3.6	Repayment of borrowings	(18)	(30)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (director's and other loans to the company converted to equity as part of sub-underwriting agreements)	(325)	(325)
3.10	**Net cash from / (used in) financing activities**	**1,342**	**1,412**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	253	33
4.2	Net cash from / (used in) operating activities (item 1.9 above)	57	533

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(186)	(493)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,342	1,412
4.5	Effect of movement in exchange rates on cash held	(125)	(144)
4.6	**Cash and cash equivalents at end of period**	**1,341**	**1,341**

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	615	253
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (customer receipts) cash in transit	726	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,341**	253

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 equity line of credit provided by Stratford Capital valid to 31 January 2026.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	57
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,341
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)	3,341
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 January 2025.....

Authorised by: By the Board.....
(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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