

27 April 2023

ASX/Media Release (ASX: KNM)

CONFIRMATION OF FIRST TRANCHE PAYMENT FOR 40,000 UNIT 'CONNECT ALL KIDS' INITIATIVE

KneoMedia Limited (“KneoMedia”, “KNM” or the “Company”), a SaaS publishing company delivering world-class education and assessment products, is pleased to provide an update on the ‘Connect All Kids’ education initiative – in collaboration with Dell Technologies and National Association for the Advancement of Colored People (NAACP).

Key Highlights:

- **Written confirmation received for US\$1M payment (KNM’s share A\$700K) for Tranche 1, for KneoWorld licences to be accessed on 40,000 Dell Chromebooks currently deployed into 11 school districts in New York City**
- **Commercial terms agreed with New York City Department of Education (‘NYC DOE’); with funds to be received in the coming weeks**
- **KNM’s share of payment will be reflected as a A\$700K receivable in the upcoming Appendix 4C, reflecting the largest single contract payment received to date for the world-class KneoWorld education and assessment platform**
- **Tranche 1 payment paves the way for the remainder of KneoWorld’s share of the deployment, being ~A\$8M**
- **The Company anticipates wider rollout throughout New York City**

KneoMedia is pleased to confirm that commercial terms have been agreed with the NYC DOE to facilitate a first tranche payment of US\$1M (KNM’s share being A\$700K) for the roll-out of KneoWorld education and assessment platform into 11 school districts in New York City under the ‘Connect All Kids NAACP Hazel Dukes’ education initiative.

The pending payment is for Tranche 1 of the previously announced (*see ASX announcement 28 November 2022*) ‘Connect All Kids’ deployment of 40,000 Chromebooks. These Chromebooks have already been delivered and paid for by the NYC DOE.

Chief Executive Officer James Kellett commented: *“The \$700K is very meaningful revenue for the Company, and indeed the largest one-off payment received for the KneoWorld technology to date; however, the real value is that the contractual terms we have established with the NYC DOE paves the way for us to secure additional tranches of funds from the deployment announced in November last year. We have every confidence that additional tranches will materialise more rapidly.*”

“NYC DOE recognise that KneoWorld is delivering very tangible benefits to students, their families and educators, and there is considerable support in place for a much wider rollout.”

Given that the contract status is in its final stages, and in a sign of the Company’s confidence that funds will be banked shortly, this will be reflected as a receivable in the pending 4C report due for release this week.

Since November last year, KNM’s team has worked closely with the NYC DOE to establish a contract for previously agreed terms for what is the largest deployment of the KneoWorld technology into the 11 school districts in the Boroughs of Manhattan (Harlem), Queens, Brooklyn and The Bronx in New York City.

‘Negotiated Services’ have now been established for KneoWorld with the NYC DOE, meaning that the technology is recognised within their procurement guidelines, which will facilitate payment of this first tranche and the balance of funds under this deployment.

With its existing cash, the pending A\$700K, and future tranche payments pending under this deployment, the Company is well-funded for an expanded rollout of KneoWorld, with New York and Florida being the two primary US markets of focus.

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 general and special education classrooms via its KneoWorld. 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.

Authorised for release by the Board.

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