

4 November 2024

ASX/Media Release (ASX: KNM)

Fully Underwritten Entitlement Offer to raise \$1.245 million

- *KNM to raise approximately \$1.245 million by way of a fully underwritten non-renounceable pro-rata entitlement offer.*
- *Eligible shareholders may subscribe for 3.5 shares for every 10 shares held.*
- *Fully underwritten by Antanas Guoga, and sub-underwritten by the directors and other non-related parties.*
- *Funds raised will be used for further technical advancement of the Company's KneoScience and KneoWorld platforms, paying the costs of the Offers, retirement of debt, and general working capital expenditure.*

KNeoMedia Limited (“**KneoMedia**”, “**KNM**” or the “**Company**”) announces a non-renounceable pro rata entitlement offer of 3.5 new fully paid ordinary shares in KNM (**Shares**) for every 10 Shares held by eligible shareholders at an issue price of \$0.0015 per new Share to raise approximately \$1.245 million (before costs) (**Entitlement Offer**). The Entitlement Offer is fully underwritten.

Use of funds

KNM is undertaking the Entitlement Offer to raise approximately \$1.245 million. The Company intends to apply the Funds raised as follows:

Description	\$
Further technical advancement of the Company's KneoScience and KneoWorld platforms	500,000
General working capital expenditure	578,019
Retirement of debt	100,000
Estimated costs of the Offers	67,000
TOTAL	1,245,019

The above use of funds is indicative only and may change according to the Company's circumstances.

Details of Entitlement Offer

Under the non-renounceable pro-rata entitlement offer of new fully paid ordinary shares in KNM, eligible shareholders are entitled to subscribe for 3.5 new Shares for every 10 shares held on the record date of 7.00pm (AEDT) on Friday 8 November 2024 (**Record Date**), at an issue price of \$0.0015 per Share.



The Entitlement Offer is only made to eligible shareholders of KNM, being those persons who:

1. are registered as a holder of Shares as at the Record Date, being 7.00pm (AEDT) on Friday 8 November 2024;
2. have a registered address on the Company share register in Australia or New Zealand, or are, in the opinion of the Company, otherwise eligible to receive an offer of New Shares under the Entitlement Offer; and
3. are not in the United States and are not acting for the account or benefit of a person in the United States.

Assuming no convertible securities convert or are exercised into Shares before the Record Date, up to 830,012,666 new Shares may be issued under the Entitlement Offer (subject to rounding of fractional entitlements). Where the determination of the Entitlement of any eligible shareholder results in a fraction of a new Share, such fraction will be rounded up to the nearest whole new Share.

Eligible shareholders can also apply for shortfall Shares in excess of their Entitlement under a shortfall offer by completing the relevant section of their Entitlement and Acceptance Form. The allocation of additional new Shares applied for under the shortfall offer will be subject to the shortfall (if any) that exists depending on the level of take up of Entitlements by eligible shareholders. There is no guarantee that eligible shareholders will be allocated any shortfall Shares under the shortfall offer.

Applications for new Shares under the Entitlement Offer may only be made by completing the Entitlement and Acceptance Form which accompanies the prospectus lodged on the date of this announcement.

Underwriting and sub-underwriting arrangements

The Entitlement Offer is fully underwritten by Mr Antanas Guoga (the **Underwriter**). The Underwriter is a substantial holder in the Company. As at the date of this announcement, the Underwriter has a voting power in the Company of 8.46%. The key terms of the underwriting agreement are set out in Annexure A.

The Underwriter has entered into separate sub-underwriting agreements with various related and non-related parties (who are sophisticated investors) to sub-underwrite the Entitlement Offer up to 216,666,667 new Shares, representing a sub-underwritten amount of \$325,000. Details of the sub-underwriters, along with the key terms of the sub-underwriting agreements, are set out in Annexure B.

The Underwriter will not receive a fee for underwriting the Entitlement Offer. No fee for sub-underwriting the Entitlement Offer will be payable to any sub-underwriter (including the Directors or their respective associated entities).

The Company advises that the indicative timetable for the Entitlement Offer, as set out in the prospectus lodged on the date of this announcement, has been amended by extending each date (other than lodgement of Prospectus with ASIC and ASX) by one business day.

The indicative timetable of the Entitlement Offer, which incorporates the above changes, is set out below.

Event	Date
Lodgement of Prospectus with ASIC and ASX	Monday, 4 November 2024
Company sends letters to Ineligible Shareholders	Tuesday, 5 November 2024
"Ex" Date	Thursday, 7 November 2024
Record Date (at 7:00pm AEDT)	Friday, 8 November 2024
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders	Tuesday, 12 November 2024
Opening Date	Tuesday, 12 November 2024
Last day to extend the Closing Date for the Entitlement Offer by 12pm (AEDT)	Monday, 18 November 2024
Closing Date for the Entitlement Offer (at 5:00pm AEDT)	Thursday, 21 November 2024
New Shares under Entitlement Offer quoted on a deferred settlement basis	Friday, 22 November 2024
Notification of Shortfall	Monday, 25 November 2024
Issue of New Shares under the Offers	Wednesday, 27 November 2024
New Shares expected to commence trading on ASX on a normal settlement basis	Friday, 29 November 2024
Anticipated date for despatch of holding statements for New Shares	Wednesday, 4 December 2024

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the directors reserve the right to vary these dates, including the Closing Date, without prior notice.

Further information and application instructions for the Entitlement Offer, as well as the risks associated with investing in the Company are detailed in the prospectus lodged on the date of this announcement, which you should read carefully and in its entirety.

If you have any questions in respect of the Entitlement Offer or the prospectus, please contact the Company Secretary of KneoMedia at Eryl.Baron@boardroomlimited.com.au.

For other questions, you should consult your broker, lawyer, accountant, financial adviser, or other professional adviser.

-ENDS-

AUTHORISED FOR RELEASE BY THE BOARD.



About KNeoMedia Limited:

KNeoMedia Limited (ASX: KNM) is a SaaS publishing company that delivers world-class education and assessment products to markets in both general and special education classrooms via its KneoWorld SaaS Platform. 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.

For further information, please contact:

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

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Annexure A

Key terms of Underwriting Agreement

The Company entered into an underwriting agreement with Mr Antanas Guoga (**Underwriter**) on 2 November 2024 to fully underwrite the Entitlement Offer (**Underwriting Agreement**).

Pursuant to the Underwriting Agreement, the Underwriter has an obligation to subscribe for, or procure subscriptions for, the shortfall Shares (which are not allocated to eligible shareholders in accordance with the Company's shortfall allocation policy) at \$0.0015 per Shortfall Share. The Underwriter must also use its best endeavours to allocate the Shortfall Shares to sub-underwriters such that neither the Underwriter nor any of its sub-underwriters will individually have a voting power in the Company in excess of 15%.

The Underwriter has entered into separate sub-underwriting agreements with various related and non-related parties (who are sophisticated investors) to sub-underwrite the Entitlement Offer up to 216,666,667 new Shares, representing a sub-underwritten amount of \$325,000. The sub-underwriting agreements are described in Annexure B.

No fees will be payable by the Company to the Underwriter (or any sub-underwriters) in connection with the Underwriting Agreement or the Entitlement Offer.

The Underwriter may terminate its obligations under the Underwriting Agreement if, before all of the new Shares under the Entitlement Offer have been allotted by the Company in accordance with the Entitlement Offer (or the Underwriting Agreement), the Underwriter becomes aware or is notified by the Company of the happening of any one or more of the following events:

1. **(change of law)** there is a change in law (including any statute, order, rule, regulation, directive or request) of any government agency which makes it illegal for the Underwriter to satisfy an obligation under the Underwriting Agreement;
2. **(ASX removal)** the Company is removed from the official list of ASX;
3. **(Default)** there is any material breach by the Company of its obligations under the Underwriting Agreement, which is either incapable of remedy or, if able to be remedied, is not remedied within ten business days;
4. **(Insolvency)** an Event of Insolvency (as described below) occurs in relation to the Company; or
5. **(withdrawal of Entitlement Offer)** the Company withdraws the Entitlement Offer.

An "**Event of Insolvency**" occurs in relation to a party under the Underwriting Agreement where:

1. a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;

2. a liquidator or provisional liquidator is appointed in respect of a corporation;
3. any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - a. appointing a person referred to in paragraphs 1 or 2;
 - b. winding up a corporation; or
 - c. proposing or implementing a scheme of arrangement;
4. any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any insolvency provision;
5. a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
6. a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
7. any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

The Company may terminate its obligations under the Underwriting Agreement if, before all of the new Shares under the Entitlement Offer have been allotted by the Company in accordance with the Entitlement Offer (or the Underwriting Agreement), any of the following occurs:

1. **(Default)** default by the Underwriter under the Underwriting Agreement;
2. **(Incorrect or untrue representation)** any representation, warranty or undertaking given by the Underwriter in the Underwriting Agreement is or becomes untrue or incorrect; or
3. **(Withdrawal of Entitlement Offer)** withdrawal of the Entitlement Offer by the Company.

The Underwriting Agreement contains other terms and conditions considered standard for an agreement of this type, including warranties, representations and indemnities in favour of the Underwriter that are standard for services of the kind that the Underwriter is providing to the Company.

Annexure B

Key terms of Sub-Underwriting Agreements

The Underwriter has entered into:

1. a sub-underwriting agreement with Director James Kellett, through his associated entity Furneaux, to sub-underwrite the Entitlement Offer up to \$100,000 (being up to 66,666,667 shortfall Shares), to be offset against part of the Furneaux Loan;
2. a sub-underwriting agreement with Director Jeffrey Bennett, through his associated entity Hixon, to sub-underwrite the Entitlement Offer up to \$50,000 (being up to 33,333,333 shortfall Shares);
3. a sub-underwriting agreement with Director Franklin Lieberman, to sub-underwrite the Entitlement Offer up to \$40,000 (being up to 26,666,667 shortfall Shares); and
4. sub-underwriting agreements with other non-related parties of the Company to sub-underwrite the Entitlement Offer up to an aggregate of 90,000,000 New Shares, representing an aggregate sub-underwritten amount of \$135,000.

The amounts payable by Mr Kellett in respect of any new Shares acquired by him pursuant to his sub-underwriting agreement will be offset against part of the loans previously provided by Furneaux to the Company to support the Company's working capital requirements.

No fees will be payable to any sub-underwriters, including the Directors or any of their respective associated entities, in connection with the Entitlement Offer.

The significant events that could lead to the sub-underwriting agreements being terminated are as follows:

1. if the Entitlement Offer does not proceed or any part of it is withdrawn by the Company;
2. if the Underwriting Agreement is terminated in accordance with its terms or the Underwriting Agreement otherwise ceases, including as a result of a condition not being satisfied for any reason and the Underwriter does not waive such non satisfaction;
3. the sub-underwriter's right to participate in the sub-underwriting under their sub-underwriting agreement lapses for any reason; or
4. the sub-underwriter breaches their sub-underwriting agreement and the Underwriter gives the sub-underwriter a notice of the termination of that agreement.

The sub-underwriting agreements otherwise contain terms and conditions considered standard for an agreement of this type.