

29 February 2024

ASX/Media Release (ASX: KNM)

KneoMedia Limited results for half year ended 31 December 2023

KneoMedia Limited ("KneoMedia", "KNM" or the "Company") today released its financial results for the six months ending 31 December 2023. The comparative period is the six months ending 31 December 2022.

Financial Highlights

- Sales revenue of \$880,545 up 254% compared to the first half of FY22.
- EBITDA loss of \$357,018, an improvement of 66% compared to the comparative period
- The comprehensive loss for the half year of \$1,121,384 (HY FY22: loss of \$1,364,855) an 18% reduction of the loss against the comparative half year.
- Receipts from customers totalled \$2,120,975, a markedly significant increase from the previous half year.
- Cash outflows from investing activities totalled \$701,703 (H1 FY22: \$462,238). This capital investment is in line with the Company's continued focus on product content development to remain ahead of the latest technological development in the market.
- Net cash provided by financing activities totalled \$170,347 (H1 FY22: \$999,152). In the first half of FY23 the Group has relied heavily on cash receipts to maintain ongoing business activities reducing the reliance on capital funding.

Financing and Going Concern

As outlined in the Appendix 4D the auditors have been unable to obtain sufficient and appropriate review evidence as to whether the Group may be able to obtain sufficient funding.

However, the Directors believe there are reasonable grounds to expect the Group will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report, despite an element of material uncertainty existing as at 31 December 2023, and therefore continue as a going concern, after consideration of a range of factors, not limited to, but including the following:

- the continued execution and fulfilment of the existing revenue contract milestones and related cash inflows associated to the Connect ALL Kids education program with the New York City Department of Education.
- The execution and utilisation of external party funding solutions as required to support working capital cash flow requirements. Management are currently pursuing funding options and are in negotiation with financiers concerning the raise of additional capital to continue to drive the Company's business and build on the last 6 months of growth and are confident of its success.

- Renegotiation of existing external and related borrowings to assist with cash flow management including:
 - Director support that the related party loan will not be called upon for a repayment for a period of at least 12 months
 - An in principle agreement to extend the loan bridging facility term to 31 May 2024
 - An in principle agreement to extend the convertible notes to 31 May 2024 with these obligations expected to be settled through the issuance of new equity

Management have prepared cash flow forecasts that indicate that the Group will have sufficient cash flows to meet its commitments for a period of at least 12 months from the date of this report, provided that the anticipated funding is achieved.

The Directors are satisfied that the going concern basis of preparation is appropriate. Accordingly, the half year financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the settlement of liabilities in the ordinary course of business.

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.

For further information, please contact:

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

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

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