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## Direct Funding Approved For KNeo Products In New York Schools

- **Immediately alleviates funding barriers that have inhibited previous sales.**
- **KNM's most significant step in penetrating 2,300 New York elementary schools.**
- **Provides catalyst to convert pipeline of 50 advanced sales inquiries and expand sales pipeline.**
- **Direct funding for up to 26,000 special needs students now available.**
- **Program extended to access special needs after school care \$6 m budget**
- **NY Borough funding for additional KNeo sales on track for 1 July**

Online education publisher **KNeoMedia Limited** ("**KNeoMedia**" or the "**Company**") (**ASX: KNM**) is pleased to advise direct Education Department funding has been approved for the immediate purchases of its education products by schools in New York City. Of significant benefit is that schools in District 75 and the Boroughs can now overcome funding allocation delays which will enhance sales of KNeo products.

This is the most significant step so far in the Company penetrating the greater New York City School system which is made up of approximately 2,300 elementary schools teaching more than 1.25 million students, including 220,000 special needs students.

KNeoMedia CEO James Kellett said: "This is a critical turning point for KNeoMedia and validates the long period of product development and trialling that our very talented and committed New York team has undertaken. The funding approvals alleviate the singular impediment to sales to the schools."

The Company has built a pipeline of 50 advanced sales inquiries that is growing weekly, and over 2,400 seat licences at US\$50.00 per licence have been sold. Interest has also been received from US Federal education groups. The limitation has been lack of funding for schools to purchase KNeoWorld products. This hurdle has been overcome.

KNeoMedia previously advised that it had negotiated support from New York City Department of Education District 75, which provides citywide educational, vocational, and behaviour support programs for special needs students, for the potential roll-out of KNeoESP focusing on 26,000 special needs students that are educated in schools and learning sites throughout the New York City Boroughs.

The Company is pleased to advise that District 75 has now confirmed that the available budget to support the purchase of KNeoWorld software and associated hardware has been increased and expanded, and these applications can be supported by other budgets, including recent grants that have been supplied to the District through allocations by the New York State Assembly. It also now includes the expansion into the broader District 75 after school care program which has a \$6 million budget. This can be immediately used for the direct purchase of KNeo products - another revenue channel for KNM.

As a result of the initial support of District 75, representatives from three New York Boroughs – Brooklyn, the Bronx and Queens – agreed to facilitate the funding via their internal and related political budgets for the purchase of KNeoESP for schools throughout their respective Boroughs with sales expected to coincide with budget allocations which occur at 1 July or thereabouts.

These funding allocations are based on the extensive trialling and use of the KNeoWorld software at District 75 schools that has determined the software is particularly suited for pacifying, engaging, entertaining and educating the special needs student population. Also driving sales enquires is the now established direct correlation between deployment of KNeo products and reduction in adverse physical incidents at special needs schools further evidencing reduction in overall stress in the special needs education environment.

– ENDS –

#### **About District 75**

**New York City Department of Education District 75 provides citywide educational, vocational, and behaviour support programs for special needs students in 60 dedicated schools and 234 external sites. It is the overarching District in the education of special needs students in New York and highly respected nationally.**

#### **About the New York Boroughs**

**Representatives of three of the 5 New York Boroughs – Brooklyn, the Bronx and Queens – have agreed to facilitate the funding of KNeo products via their internal and related political budgets for the purchase of KNeoESP for schools throughout their respective Boroughs. Each Borough also accepts some responsibility for education, including special needs students, within their Boroughs and the funding facilitation commitments are based on the proven efficacy of KNeo products to pacify, engage, entertain and educate the special needs student population and reduce overall stress in the special needs education environment.**

#### **About KNeoMedia Limited:**

**KNeoMedia Limited is an online education publishing company that delivers world-class education assessment and Game Based Learning products to global educational and consumer markets.**

**KNeoMedia publishes and markets from its US-based subsidiary, KNeoWORLD Inc., and sells on a seat licence and micro-subscription and Apps basis through the KNeoWORLD.com Game Based Learning portal, Apps Stores and via distribution agreements and education departments.**

**Games Based Learning is an integral part of childhood education. Growth in educational markets, combined with advances in mobile devices and connectivity, will continue to accelerate innovation, adoption, and affordability of our products around the world.**

**KNeoWORLD is an education games portal where young and also special needs students play their way through a futuristic and epic world. They do this by playing compelling games that are subtly infused with validated educational content including numeracy, literacy, science, arts, reasoning and memory. KNeoWORLD products provide extensive analytical performance data to educators and comply with child online protection and the parent approved simple subscription model provides KNeoWORLD with a global opportunity to quickly deploy in a product vacuum and become a market leader.**

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