



28 February 2017: ASX/Media Release (ASX: KNM)

## **KNeoMedia Reports Strong Progress in New York Schools Sales Program**

- **Critical support received for KNeoESP platform from NYC Department of Education's District 75**
- **District 75's support provides funding catalyst for the potential roll-out of KNeoESP focusing on the District's 20,000 special needs students**
- **District 75 support included funding for three more schools for a further 400 seat licences last week**
- **Support has also led to three NY Boroughs – Brooklyn, the Bronx and Queens – requesting to facilitate the funding for sales of KNeoESP Borough-wide**
- **First major step in penetrating the ~2,300 elementary schools teaching over 1.25 million students, incl. 220,000 special needs students in New York City's School system**

Online education content publisher **KNeoMedia Limited (ASX: KNM) (KNeoMedia or the Company)** is pleased to report major milestones in the KNeoWorld *Education* division with New York City District 75 support received for the Company's KNeoESP special needs Game-based Learning platform.

The support from New York City Department of Education District 75, which provides citywide educational, vocational, and behaviour support programs for special needs students, provides the catalysts for funding the potential roll-out of KNeoESP focusing on the 20,000 special needs students that are educated in schools and learning sites throughout the New York City Boroughs.

The Superintendent of District 75 will continue to work with the Company on the large-scale roll out of KNeoESP to coincide with the 1 July 2017 budget approval process. Prior to this, ad hoc budget has been allocated to individual schools wishing to immediately deploy KNeoESP, including a further 400 KNeoESP seat licences at US\$50.00 per licence that have been purchased by three more schools last week. This takes the total number of seat licences sold to 2,500 across 12 schools.

KNeoMedia is also pleased to confirm that, as a result of the support of District 75, representatives from three New York Boroughs – Brooklyn, the Bronx and Queens – are currently facilitating the funding via their internal and related political budgets for the purchase of KNeoESP for schools throughout their respective Boroughs. This major development for KNM means that schools can overcome the delays experienced in funding allocation, as well as enabling a broader deployment into schools in each Borough. Whilst KNM cannot quantify the total number of licences to be issued, KNM is encouraged by the eagerness of the Boroughs to facilitate widespread distribution.

Both developments mark significant progress for KNeoMedia and they represent the first step 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's Chief Executive Officer James Kellett commented: "This critical support of KNeoESP by a highly respected member of the New York Public Education Department marks a key turning point for the Company, and it is a major game-changer.

"Whilst cash flow from the broader distribution will not be substantial until after 1 July, sign-ups of individual schools and small groups of schools will continue to materialise prior to July. We have already witnessed this with budget

provided for the purchase of a further 400 seat licenses at US\$50.00 per licence this past week. We expect more sign-ups shortly.

“This support is a key growth catalyst for KNM and delivers the validation and momentum to deliver significantly scale up sales volumes for our edutainment products for special needs students in the greater New York City school system, and eventually, the broader US market.”

– ENDS –

**About KNeoMedia Limited:**

KNeoMedia Limited is an online games publishing company that delivers world-class edutainment games to global educational and consumer markets (education + entertainment = edutainment).

KNeoMedia publishes and markets from its US-based subsidiary, KNeoWORLD Inc., and sells on a micro-subscription and Apps basis through the KNeoWORLD.com games 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 a fun education games portal where young 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 and arts. KNeoWORLD Apps 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.

**For further information, please contact:**

**James Kellett**

Chief Executive Officer

T: (03) 9286 7500 M: 0439 805 070

E: [jkellett@kneomedia.com](mailto:jkellett@kneomedia.com)

**Sophie Karzis**

Company Secretary

T: (03) 9286 7500

E: [sk@ccounsel.com.au](mailto:sk@ccounsel.com.au)

**Released through:** Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448



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