



27 September 2017: ASX/Media Release (ASX: KNM)

## KNeoMedia US Operations Update

Online education publisher **KNeoMedia Limited** (“KNeoMedia” or the “Company”) (ASX: KNM) is pleased to provide this operational update for shareholders.

Activity in the New York public schools sector is now returning to normal levels after the end of the US vacation period, and the subsequent commencement of the new scholastic year is occurring now. As predicted, sales of new Seat Licences will materialise from October onwards. The Company has made considerable progress in the past six weeks.

### **KNeoESP and KNeoEd content enhancement**

KNeoMedia has made some key enhancements to the KNeoESP and KNeoEd content by adding more learning and development functionality, fine tuning the analytics capabilities, and building in a SaaS-based online ordering tool so content is easier for schools to procure.

This work has been undertaken collaboratively with educators in the New York public school system who have provided regular feedback on the software. KNeoMedia is encouraged by the buy-in from educators in co-developing these enhancements.

### **New York public schools onboarding**

With the beginning of the new scholastic year, the New York team has been focused on two key deliverables. The current focus is to ensure that all of the 10,000 Seat Licences sold late last financial year and early in FY2018 are fully installed and functioning in the respective schools. This is progressing very well.

The Company is also processing all payments due to KNeoMedia from the New York City Department of Education. As previously reported, these payments were to materialise from budget allocated in the new financial year (from July 2017). Processing has now commenced after the US vacation period, and while this has resulted in a slightly extended debtor payment cycle, this is now being resolved quickly.

### **Strong progress being made with more Seat Licence sales to additional New York Public Schools**

As previously reported, KNeoMedia has secured the support of the New York City Education Department District 75 (“District 75”) with 33 of the 60 Schools in District 75 now deploying the Company’s content. A further six general public schools outside of District 75 have also procured Seat Licences, taking total school numbers to 39.

Through recent onboarding activities, KNeoMedia’s New York team has strengthened its relationship with District 75 educators and administrators, and is very well placed to secure new Seat Licence orders with most of the remaining 27 District 75 schools expected to place orders. These sales will materialise before the end of October. A deliberate strategy has been to cover all of District 75, which in turn provides stronger validation to other Cities and States across the US. Enquiry from several new Cities and States continues to build and the Company is very encouraged by the broader US prospects.

### **Management commentary**

KNeoMedia Chief Executive Officer James Kellett said: “The new scholastic year in the United States has only just commenced and we have hit the ground running. We have enhanced our content and functionality, onboarding with schools is progressing very well, and we are now focused on processing the payments of Seat Licences sold late last year. This is now happening.

“As previously advised, we expect to complete sales of new Seat Licences into a large number of the remaining 27 District 75 Schools by the end of October and build significantly on the 10,000 already sold. We are committed to this timeframe and we look forward to reporting on a steady stream of sales from next month. New York public schools outside of District 75 and the broader US market also hold considerable promise.”

– ENDS –



**About KNeoMedia Limited:**

KNeoMedia Limited is an online education publishing company that delivers world-class education assessment products and games-based learning 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 basis through the KNeoWORLD.com games portal 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 simple subscription model provides KNeoWORLD with a global opportunity.

**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



Follow KNeoMedia on Twitter: <http://twitter.com/KNeoMedia>