

25 February 2021

ASX/Media Release (ASX: KNM)

APPENDIX 4D AND HALF-YEAR REPORT

KNeoMedia Limited (“KNeoMedia” or “the Company”) (ASX: KNM) is pleased to report its half year results for the Company and its controlled entities (the Group) for the half-year ended 31 December 2020. The Company wishes to thank shareholders for their continued support.

About KNeoMedia Limited:

KNeoMedia Limited (ASX:KNM OTC:KNEOF) is a SaaS publishing company that delivers world-class education and assessment products to global markets in both special and general education classrooms via its KneoWorld portal. 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 James Kellett, CEO

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KNEOMEDIA LIMITED (ASX:KNM)

APPENDIX 4D

HALF YEAR REPORT

Entity: KneoMedia Limited
 ABN: 41 009 221 783
 Reporting period: For the period ended 31 December 2020
 Previous period: For the period ended 31 December 2019

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 Dec 2020 \$	Change \$ Up/(Down)	Change% Up/(Down)	31 Dec 2019 \$
Revenues from ordinary activities	171,778	112,746	191	59,032
Loss from ordinary activities after tax attributable to members	(1,636,091)	(317,239)	(16)	(1,953,330)
Net loss for the period attributable to members of parent (after non-controlling interest)	(1,471,569)	(241,916)	(14)	(1,713,485)

Dividends

There were no dividends paid, recommended or declared during the current reporting period.

Net Tangible Assets

	Reporting period Cents	Previous period Cents
Net Tangible Assets per ordinary share	0.002	0.001

Control gained over entities

During the half-year ended 31 December 2020, the Company did not acquire any subsidiary entities.

Loss of control over entities

There was no disposal of subsidiary entities in the half-year ended 31 December 2020.

Dividends

There were no dividends paid, recommended or declared during the current reporting period.

There were no dividends paid, recommended or declared during the previous reporting period.

Dividend reinvestment plans

Not applicable.

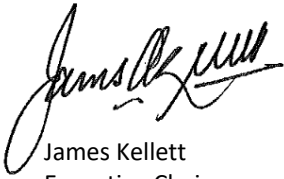
Additional disclosures

Additional Appendix 4D disclosures can be found in the attached Directors' Report and the 31 December 2020 half-year financial statements.

This report is based on the consolidated 2021 half-year financial statements which have been reviewed by the Company's auditor with the Independent Auditor's Review Report included in the 31 December 2020 half-year financial statements.

This half-year report is to be read in conjunction with the financial report for the year ended 30 June 2020 and public announcements of the Company made on the ASX for the six months ended 31 December 2020.

Signed

A handwritten signature in black ink, appearing to read 'James Kellett', written in a cursive style.

James Kellett
Executive Chairman

Date: 25 February 2021

KNEOMEDIA LIMITED

ABN 41 009 221 783

HALF YEAR FINANCIAL STATEMENTS - 31 DECEMBER 2020

TABLE OF CONTENTS

Directors' Report	5
Auditor's Independence Declaration	9
Consolidated Statement Of Profit Or Loss And Other Comprehensive Income	10
Consolidated Statement Of Financial Position	11
Consolidated Statement Of Changes In Equity.....	12
Consolidated Statement Of Cash Flows	13
Condensed Notes To The Consolidated Financial Statements.....	14
Directors' Declaration	16
Independent Auditor's Review Report To Members	17

KNEOMEDIA LIMITED AND CONTROLLED ENTITIES DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The Directors present their report together with the financial statements of the consolidated entity consisting of KNeoMedia Limited (**KNeoMedia** or **KNM** or **the Company**) and its controlled entities (the **Group**), for the half-year ended 31 December 2020.

DIRECTORS

The following persons were Directors who held office during or since the end of the half-year:

Mr James Kellett	Executive Chairman and Chief Executive Officer
Mr Jeffrey Bennett	Non-Executive Director
Mr Franklin Lieberman	Executive Director

Directors were in office from the start of the period to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

During the financial half-year, the principal activity of the Group was the development and marketing of the Company's online education publishing business across international markets that delivers world-class education assessment products and games-based learning to global educational markets. The Group publishes and markets from its US-based subsidiary, KneoWorld Inc., and sells on a seat licence basis through the KneoWorld games portal and regionally via education departments and distribution agreements.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The Group incurred a loss for the period of \$1,636,091 (2019: \$1,953,330) with the reduction attributable to cost control during the COVID pandemic combined increase in revenue.

During the half year the Group's receipts from customers increased to \$357,856 (2019: \$220,119) and revenue recognized over the period increased to \$134,129 (2019: \$58,712), revenue is recognized over the term of each seat licence which ranges from 12 to 36 months.

Net tangible asset backing per ordinary share at 31 December 2020 was 0.002 cents (30 June 2020: 0.078 cents). There was no gain or loss of control over any entities during the half-year. The Company does not propose to pay a dividend. No dividend or distribution plans are in operation.

	31 December 2020	31 December 2019
Earnings per share		
Basic loss per share (cents)	0.16	0.23
Diluted loss per share (cents)	0.16	0.23

FINANCIAL POSITION

The Group's net assets decreased to \$1,185,840 (30 June 2020: \$1,335,121) due to the continued international expansion activities.

CASH FLOWS

During the six months to 31 December 2020, the Group incurred net operating cash outflows of \$823,205 (2019: \$1,592,484). While receipts from customers were \$357,856 (2019: \$220,119), recognised sales revenue for the period was \$134,129 (2019: \$58,712) as revenue is recognised over the term of each seat licence, in most cases up to 12 months. The Group had cash of \$968,856 as at 31 December 2020 (30 June 2020: \$1,114,130).

KNEOWORLD'S OPERATIONS

During the half year, KNeoMedia's focus was on the successful deployment of content and hardware to support the roll-out of the 'Connect All Kids' education initiative into New York City public schools, securing new agreements to expand the sales and distribution of the KNeoWorld technology, and actively building investor support in the United States.

The Company has looked to broaden sales channels and ensure content could be sold and distributed, online, offline, in the classroom and in the home, given the fluid situation created by the global pandemic. It's been an incredibly difficult 12 months due to COVID-19 and the closure of schools, but the Company has managed the situation within the US with a reduction in costs and an increase in cash receipts and recognised revenue. Meanwhile, in COVID-paused markets elsewhere, no expenditure was required to maintain our market position.

To date, KneoWorld's success has largely relied upon a classroom-based teaching and learning environment and our team has spent a great deal of time broadening the channels to market and ensuring content can be easily accessed. Although the business continues to be impacted by school closures, the Company is well-positioned to build sales in both the school and home school sectors as normality returns in calendar 2021. The early signs are encouraging.

'Connect All Kids' roll-out

As advised during the last quarter, KNM reported its second successful enforceable contract valued at \$US1 million (KNM's share: ~A\$380,000) of the 'Connect All Kids' education initiative where KneoWorld three-year licences are included with Dell hardware for use by students in the New York public school system.

With the uncertainty created by the COVID-19 pandemic which has seen public schools in New York closed, the Company's focus was to ensure the successful deployment and use of the first 1,700 devices and licences into 20 schools across 3 Districts.

The second contracted deployment to the New York City Department of Education (NYC DOE) for an additional 1,700 Dell Chromebooks and three-year KneoWorld licences is progressing.

In this instance, Dell is bundling and paying KneoWorld directly, a sign of their growing confidence in the 'Connect All Kids' program.

These deployments have created excellent visibility and validation for 'Connect All Kids' in the public education system in New York City and more widely across New York State with more schools and Districts now seeking the content. The focus is to achieve greater critical mass in New York while expanding to other US states with the National Association for the Advancement of Coloured People (NAACP) and Dell.

US funding secured

During the period, the Company successfully raised AUD\$1m through a placement to Lind Global Macro Fund LP, an investment fund managed by The Lind Partners, a New York based institutional fund manager. Lind Partners is supportive of the Company's growth strategy and primary focus on the US education market and they were attracted by KneoMedia's recent sales success in the New York public school system through the 'Connect All Kids' education initiative established with NAACP and Dell Technologies.

They also recognise the potential for the broader roll out of the KNeoWorld technology across the United States through the different sales and promotional channels the Company is assembling. Lind Partners has a track record investing in the EdTech sector and in businesses of a similar nature to KNeoMedia.

In September 2020, it funded a US\$20m follow-on investment in Nasdaq-listed Boxlight Corporation (Nasdaq: BOXL), a leading provider of technology solutions for the global learning market.

Expanding sales and marketing channels in the United States

The Company has been actively pursuing new channels to market, primarily in the United States, to broaden and diversify the distribution of the KneoWorld content and grow sales.

Partnerships have been announced with the prestigious Home School Buyer Co-Op ("HBCO") and First Inspires ("FIRST"). The KNeoWorld Inc. team in the United States has been working on these agreements for over six months and more are under consideration.

The new partnerships reinforce the appeal and educational qualities of KNeoWorld and put the Company in a much stronger position to deliver sales from six defined channels to market in the US.

These channels are:

1. The 'Connect All Kids' NAACP/Dell collaboration funded by DOE State and City budgets and political and Foundation budgets.
2. Direct to schools and Districts sales funded by DOE State and City budgets.
3. In school Career Technology Education (CTE) programs to Districts funded by established CTE program budget.
4. Direct sales to home-school educators funded by direct sales to consumers.
5. Home School Buyers Co-op reseller partnership funded by direct sales to consumers.
6. The partnership with First Inspires creating extensive awareness in the school and consumer sectors.

Google for Education Partner Certification

In September, KNeoMedia announced it had secured Google for Education Partner Certification globally. Google for Education undertook an extensive review of the KneoWorld platform before granting this certification, which is another excellent validation of the Company's technology and its teaching and learning attributes.

Over 120 million students, teachers and administrators around the world are using Google G Suite for Education and Google Classroom. Through the Google for Education platform, KNeoWorld can be more seamlessly integrated into schools and education systems globally that already have existing hardware infrastructure in place.

KNeoWorld is now closely aligned with two of the biggest education technologies suppliers globally, Dell Technologies and now Google for Education.

US OTC Listing - DTC Electronic Share Trading Approved

From July 14 2020, KNeoMedia's OTCQB-listed common shares became eligible for electronic clearing and settlement through the Depository Trust & Clearing Corporation (DTCC) in the United States.

No new shares in the Company were issued as a result.

Online brokers such as Ameritrade, Fidelity Investments, Charles Schwab, Interactive Brokers, TradeStation and ETrade all offer DTC eligible OTCQB trades. DTCC is a subsidiary of the Depository Trust Company, a US company that manages the electronic clearing and settlement of publicly traded companies.

DTC eligibility simplifies the process of trading and enhances liquidity of the Company's common shares on the OTCQB by greatly broadening the pool of brokerage firms that are permitted to promote KNeoMedia to their clients.

Progress in other international markets

While the Company remains focused on advanced sales opportunities in the United States first and foremost, further progress is being made in other markets.

Our JV partner in the Philippines has recently deployed KNeoWorld content into opportunities that have been paused for nearly 12 months with each Seat Licence there being sold to Government schools by our joint venture partner for US\$100. This is an indication that activities are resuming in the region after a total school shutdown due to COVID.

Our licensing agreement in India with Augustya is currently on hold given the impact of COVID-19. We see considerable scope for growth here and India remains a focus for KNeoMedia.

Establishing a presence in new international markets with respected partners is also advancing favourably.

Developments since 31 December 2020

On 14 January 2021, the Company announced its KneoWorld eLearning SaaS platform has been accepted by prestigious United States headquartered reseller, the Home School Buyer Co-Op ("HBCO"). This comes after many months of home school testing and relevant content creation to provide a home school experience aligned with stringent US education standards. It also delivers online and offline lessons and activities for students and lesson guidance and instruction for home school educators.

Meanwhile, on 28 January 2021, the Company announced another key US partnership, joining forces with highly respected not-for-profit STEM education organisation First Inspires ('FIRST').

FIRST and KNeoWorld are now collaborating on a STEM project that will result in the KNeoWorld technology being promoted through FIRST's extensive network, which includes 50,000 educators, 276,000 parents and 51 partnered school districts.

This collaboration will see KneoWorld's problem-based learning content promoted alongside the likes of Lego Education and other leading and respected education brands.

OUTLOOK

Second half outlook and focus

The global pandemic has accelerated the adoption of technology within the education sector and KNeoMedia is working hard to capitalise on these opportunities in the current calendar year. The Company notes that the KNeoWorld sales and distribution opportunities, and the subsequent funding channels, that were close to being secured in early 2020 before the advent of COVID-19 pandemic, are now starting to emerge again as education departments look to ramp up teaching and learning opportunities.

The positive signs we have witnessed in the first few months of calendar 2021 are most encouraging and we are well-placed to again capitalise on sales opportunities that were paused last year, and indeed new opportunities that have emerged, particularly in the United States.

Underpinning all of this is growing acceptance and take up of our technology which is proving to be successful and engaging for both students and teachers. As well, Dell Technologies' eagerness to sell into the large EduTech gap identified during the pandemic, together with the NAACP's political power to drive the program, gives the Board the greatest confidence.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year, other than the impact of COVID-19 outlined above.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



James Kellett
Executive Chairman
25 February 2021

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF KNEOMEDIA LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136



N.S. Benbow
Director

Dated this 25th day of February, 2021

ACCOUNTANTS & ADVISORS

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KNEOMEDIA LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31-Dec-20	31-Dec-19
	\$	\$
Revenue		
Sales revenue	134,129	58,712
Other income	37,649	320
	171,778	59,032
Corporate & Administration Employee benefits expense including Directors Fees	(272,720)	(348,840)
Sales and Marketing Employee benefits expense	(258,843)	(187,537)
Sales and Marketing expenses	(284,492)	(495,356)
Professional services expenses	(290,005)	(326,998)
Share based payments in lieu of professional services fees	(240,958)	-
Corporate expenses	(81,881)	(115,615)
Depreciation and amortisation expense	(333,442)	(303,332)
Other expenses	(43,617)	(229,842)
Finance costs	(1,911)	(4,842)
Total expenses	(1,807,869)	(2,012,362)
Loss before income tax	(1,636,091)	(1,953,330)
Income tax expense	-	-
Loss for the period attributable to members	(1,636,091)	(1,953,330)
Other comprehensive loss		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange difference on translation of foreign operations	18,494	(35,650)
Total comprehensive loss for the period	(1,617,597)	(1,988,980)
Loss attributable to:		
Members of the parent entity	(1,471,569)	(1,713,485)
Non-controlling interests	(164,522)	(239,845)
	(1,636,091)	(1,953,330)
Total comprehensive loss attributable to:		
Members of the parent entity	(1,456,774)	(1,742,005)
Non-controlling interests	(160,823)	(246,975)
	(1,617,597)	(1,988,980)
Loss per share (cents per share)		
Basic and diluted loss per share	0.16	0.23
Weighted average no of shares	918,512,493	730,981,422

The interim financial statements should be read in conjunction with the accompanying notes.

KNEOMEDIA LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31-Dec-20 \$	30-Jun-20 \$
Assets			
Current Assets			
Cash and cash equivalents		968,856	1,114,130
Trade and other receivables	2	226,308	245,035
Prepayments & other current assets		94,618	17,772
Total Current Assets		1,289,782	1,376,937
Non-current Assets			
Property, plant and equipment		2,960	5,205
Intangible assets		626,000	632,439
Non-refundable deposit to acquire non-controlling interest		50,000	50,000
Loan advanced to KneoWorld Philippines		129,697	129,697
Total Non-current Assets		808,657	817,341
Total Assets		2,098,439	2,194,278
Liabilities			
Current Liabilities			
Trade and other payables		610,228	782,970
Deferred revenue		252,144	49,857
Employee benefits		50,227	26,330
Total Current Liabilities		912,599	859,157
Total Liabilities		912,599	859,157
Net Assets		1,185,840	1,335,121
Equity			
Issued capital	3	24,074,690	22,710,648
Reserves		(40,186)	(159,317)
Accumulated losses		(20,251,725)	(18,780,156)
Parent Entity Interest		3,782,779	3,771,175
Non-controlling Interest		(2,596,939)	(2,436,054)
Total Equity		1,185,840	1,335,121

The interim financial statements should be read in conjunction with the accompanying notes.

KNEOMEDIA LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020



	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Options Reserve	Non-Controlling Interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	22,710,648	(18,780,156)	(319,317)	160,000	(2,436,054)	1,335,121
Net loss for the period	-	(1,471,569)	-	-	(164,522)	(1,636,091)
Other comprehensive income	-	-	14,857	-	3,637	18,494
Total comprehensive income	-	(1,471,569)	14,857	-	(160,885)	(1,617,597)
Shares issued	1,000,000	-	-	-	-	1,000,000
Conversion of director fees to shares	159,016	-	-	-	-	159,016
Vesting of share-based payments	205,026	-	-	104,274	-	309,300
Balance at 31 December 2020	24,074,690	(20,251,725)	(304,460)	264,274	(2,596,939)	1,185,840

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Non-Controlling Interest	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2019	19,254,116	(15,578,383)	(290,193)	(1,983,880)	1,401,660
Net loss for the period	-	(1,713,485)	-	(239,845)	(1,953,330)
Other comprehensive income	-	-	(28,520)	(7,130)	(35,650)
Total comprehensive income	-	(1,713,485)	(28,520)	(246,975)	(1,988,980)
Shares issued	1,263,800	-	-	-	1,263,800
Conversion of director fees to shares	107,357	-	-	-	107,357
Transaction costs on shares issued	(104,625)	-	-	-	(104,625)
Balance at 31 December 2019	20,520,648	(17,291,868)	(318,713)	(2,230,855)	679,212

The interim financial statements should be read in conjunction with the accompanying notes.

KNEOMEDIA LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31-Dec-20	31-Dec-19
	\$	\$
Cash flows from operating activities		
Receipts from customers	357,856	220,119
Payments to suppliers and employees	(1,181,061)	(1,812,603)
Net cash used in operating activities	(823,205)	(1,592,484)
Cash flows from investing activities		
Payment for property, plant and equipment	(738)	(1,089)
Payment for capitalised product development costs	(324,131)	(413,190)
Loan advanced to KneoWorld Philippines	-	(25,000)
Net cash used in investing activities	(324,869)	(439,279)
Cash flows from financing activities		
Proceeds from issue of shares	1,000,000	1,263,800
Payment for share issue costs	-	(104,625)
Interest received	150	320
Finance costs	(1,911)	(4,842)
Net cash provided by financing activities	998,239	1,154,653
Net (decrease)/increase in cash held	(149,835)	(877,110)
Cash at the beginning of the period	1,114,130	1,167,913
Effects of exchange rate changes on cash and cash equivalents	4,561	(12,378)
Cash at the end of the period	968,856	278,425

The interim financial statements should be read in conjunction with the accompanying notes.

KNEOMEDIA LIMITED AND CONTROLLED ENTITIES CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

1. BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL STATEMENTS

(a) BASIS OF PREPARATION

The interim consolidated financial report of the Group is for the six months ended 31 December 2020 and is presented in Australian dollars (\$), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2020 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the Board of Directors on the date of signing the attached Directors' declaration.

(b) CHANGES IN ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and if adopted, there was, and is expected to be, no material impact on these financial statements.

(c) ESTIMATES

When preparing the interim consolidated financial statements, management has made a number of judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the Group's last annual financial statements for the year ended 30 June 2020.

(d) GOING CONCERN BASIS OF ACCOUNTING

For the half-year ended 31 December 2020 the Group incurred a loss of \$1,636,091 however as at that date its available working capital (net current liabilities adjusted for prepayments and unearned revenues) was not deficient.

The Directors continue to apply the going concern basis of accounting in these financial statements based upon forecast cash flow projections that incorporate the following assumptions:

- A continuation of the Company's strong track record of raising capital when and as needed. During the half the Company successfully raised \$1,000,000 in new capital from investors in the United States;
- Controlling costs, particularly those that may be deferred as they represent investments in the Company's research and development activities; and
- Deriving revenues from delivering its global education services.

Accordingly, the Directors have concluded that the Company can continue to pay its debts as and when they fall due for the foreseeable future. In the event that all or some of these assumptions do not eventuate, the Group may be required to adjust the carrying values of its assets and liabilities as stated in the financial report.

KNEOMEDIA LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

2. TRADE AND OTHER RECEIVABLES

	31-Dec-20	30-Jun-20
	\$	\$
Current		
Amounts receivable from investors for previous capital raising	200,000	200,000
Other receivables	9,167	9,170
	209,167	209,170
GST recoverable	17,141	35,865
	226,308	245,035

3. ISSUED CAPITAL

	31-Dec-20	30-Jun-20
	\$	\$
988,246,660 (30 June 2020: 906,444,065) fully paid ordinary shares	24,074,690	22,710,648
	\$	No.
a. Ordinary Shares		
At the beginning of reporting period	22,710,648	906,444,065
Shares issued during the year		
— Conversion of accrued fees to shares	159,016	7,302,595
— Shares issued (capital raising)	1,000,000	62,500,000
— Shares issued to corporate advisor	205,026	12,000,000
At reporting date	24,074,690	988,246,660

4. CONTINGENT LIABILITIES

There are no outstanding contingent liabilities as at 31 December 2020 (30 June 2020: Nil).

5. SUBSEQUENT EVENTS

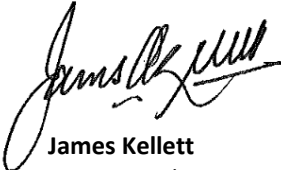
In the opinion of the Directors, no other matters or circumstances have arisen since 31 December 2020 which have material effects on the operation of the consolidated entity which have not been outlined in this report.

**KNEOMEDIA LIMITED AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

In the opinion of the Directors of KneoMedia Limited:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.



James Kellett
Executive Chairman

25 February 2021

Independent auditor's review report

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of KNeoMedia Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of KNeoMedia Limited is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
- b. complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the half-year financial report, which indicates that the consolidated entity incurred a net loss of \$1,636,091 during the half year ended 31 December 2020 however, as of that date, its available workings capital (net current liabilities adjusted for prepayments and unearned revenues) was not deficient. As stated in Note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

ACCOUNTANTS & ADVISORS

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Responsibility of Management for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN: 59 116 151 136



N. S. Benbow

Director

Melbourne, 25th February, 2021