



# Preliminary Final Report

Operational Summary

And

Appendix 4E

**31 August 2021: ASX Release**

## **FY2021 OPERATIONAL SUMMARY**

### **Highlights**

- **A total of US\$5m now committed to the 'Connect All Kids' initiative by New York City Councillors; 8,400 devices will be deployed in over 100 schools in New York City by the end of calendar 2021**
- **Growing sales and marketing channels opening up across the United States; KneoWorld's focus in FY2021 has been on building scale in the New York public school system**
- **New York State capital Albany School District deploys KneoWorld's CTE program with first 100 phase I Seat Licences approved**
- **Deferred revenue significantly increased by ~850%, driven largely by 'Connect All Kids' roll-out in New York City**
- **FY2022 has commenced well – more deployments of the KneoWorld technology expected in New York City to coincide with the new school year which commences in September**

**Online education publisher KneoMedia Limited (ASX: KNM | OTC: KNEOF)** is pleased to provide this summary of performance for the financial year ended 30 June 2021. The key emphasis for the year was on increasing the deployment of the core KneoWorld content in the New York public school system, primarily through the 'Connect All Kids' educational initiative which is being rolled out in conjunction with the National Association for the Advancement of Colored People (NAACP) and Dell Technologies and pursuing sales in other markets in the United States.

**Chief Executive Officer James Kellett said:** *"Despite the challenges posed by the pandemic, KneoMedia was successful in increasing the deployment and the visibility of our core technology primarily in the New York public education market. As well, we broadened our reach into New York State and Florida which sets us up well for the current year. The Connect All Kids program in New York City is very exciting, and we can see the momentum beginning to build following the re-opening of in-class learning. As more educational programs are initiated across the country, we have an opportunity to establish KneoMedia as a valuable educational tool in classrooms throughout the United States and starting in New York.*

*"Our expanding sales and marketing channels are also very encouraging with prestigious and world class organisations such as NAACP and Dell Technologies partnering with KneoWorld to broaden and diversify the distribution of our educational content across the United States. Running in conjunction with the Connect All Kids initiative, it positions us well for the coming year to build sales in both the school and home school sectors.*

*"Gaining a foothold into New York State justifies the expansion efforts and growth strategy set out at the beginning of the year. As well as being the largest public education market, New York is the bellwether for the rest of America so the fact that KneoWorld is now being progressively delivered here bodes well for us.*

*"Our near-term objective is simple – achieve greater scale in New York, broaden our presence in New York States, and then continue the roll-out across the United States. We are confident that the sales momentum will continue."*



## Financial summary

The wider educational sector continued to face several challenges during FY21 with the COVID-19 pandemic causing ongoing disruptions to face-to-face and in-school teaching and learning. Despite these challenges, KneoMedia continued to progress a number of its key sales initiatives and generated US\$660,337 cash receipts from customers of which \$A234,006 was recognized revenue from ordinary activities for the period, a 44.2% increase on the previous corresponding period (2020 \$A162,308).

More notable is the fact that deferred revenue significantly increased by ~850% to \$A467,187 (2020 \$A49,857), driven largely by 'Connect All Kids' roll-out in New York City. The contracts in New York are over a period of three years, with revenue being recognised on a straight-line basis over the term of the contract, deferred revenue of \$467,187 is to be recognised over the three-year balance of the contracts.

The sales achieved in New York City highlights our focus on the US education market, an addressable market of 2.5 million students in New York City and New York State alone – all of which are potential candidates for the KneoWorld content. This renewed emphasis on New York is due to the significant time, effort, and resources invested in building a more established presence in New York City where the Company has strong and established networks. These key relationships supported the rapid scale-up of operations and the successful deployment of the 'Connect All Kids' program into over 100 schools to date.

### **'Connect All Kids' roll out and Preferred Supplier Status achieved with New York's Department of Education**

After an extensive qualification process with the New York City Department of Education, KneoMedia achieved Approved Supplier status for the 'Connect All Kids' program resulting in the program being pre-qualified for all future sales within New York City. As a result, the Company together with NAACP and Dell Technologies scaled up the rollout of the Connect All Kids program across New York City and more widely across New York State. A total of US\$5m has now been committed by New York City Councilors to the program, with the following deployments confirmed during FY2021:

- US\$1 million, KNM's share is US\$260,000 (refer ASX announcement: 21 August 2020)
- US\$1 million, KNM's share is US\$260,000 (refer ASX announcement: 02 March 2021)
- US\$3 million committed, KNM's share is US\$780,000 (refer ASX announcement: 11 May 2021).

The three deployments will see a combined 8,400 Dell Chromebooks, pre-loaded with the KneoWorld technology, provided to New York City public schools. To date, 3,500 Dell Chromebooks have already been supplied with the balance due for deployment before the end of calendar 2021. This reflects the increasing commitment to the program by the New York City, and while the roll-out is still in its early stages, with in-person teaching resuming, the funding and roll-out of previously stalled education programs will continue to ramp up and we expect to continue strong uptake of the program.

### **Additional sales and marketing channels**

In order to broaden and diversify the distribution of KneoWorld content, several new channels to market were pursued during the year which reinforce the appeal and educational capabilities of KneoWorld. The new sales channels and partnerships announced during FY21 include:

- KneoWorld's Career Technology Education (CTE) program being approved for Phase I deployment in Albany School district in New York State. The first 100 Seat Licences in the district follows a three-month pilot program undertaken across five schools in Florida where the technology was comprehensively assessed.
- First Inspires (FIRST), a universally recognised not-for-profit Science Technology Engineering and Mathematics (STEM) education program for kids. A collaboration on a STEM project that will see KneoWorld technology promoted through FIRST's extensive network of 50,000 educators, 276,000 parents and 51 partnered school districts is being undertaken.



- Reseller agreement between KneoMedia and the prestigious US headquartered Homeschool Buyers Co-op (HBCO). The Company's KneoWorld eLearning SaaS platform was accepted by HBCO after an extensive six-month review of the platform to validate the technology's teaching and learning attributes.
- EdTech business development brand accelerator EEV will aim to grow sales of KneoMedia's SaaS-based KneoWorld software across key US markets. EEV will provide KneoMedia with strategies to elevate brand messaging to a market-leading position within the K12 and early childhood verticals. KneoMedia and EEV will work together to leverage EEV's network of key connectors and influencers within the US education market.

Each new partnership is an excellent vote of confidence in KneoWorld and further validates the core technology. The approval of first Seat Licences into Albany represents a large opportunity for the Company with 731 public school districts across the State. Acting as a valuable reference point, the first Licences will act as a catalyst for sales into the State's other schooling districts as well as Phase II direct Seat Licence sales.

### **Progress in other international markets**

Despite the renewed focus of efforts into the United States first and foremost, progress was made to expand the KneoMedia's international footprint. KneoWorld technology was deployed into the Philippines by the Company's Joint Venture partner with each seat Licence being sold to Government schools for US\$100.

Opportunities in regions such as the Philippines has been rare over the last 12 months due to total school shutdowns due to COVID-19. KneoMedia's licensing agreement with Augustya in India an example of such interruptions with the agreement being put on hold as a direct result of COVID-19. There remains considerable scope for growth in these regions and the first Seat Licences into the Philippines is an indication of activities resuming after a period of extreme disruption.

### **Funding**

AUD\$1 million was raised through a successful placement to New York based institutional fund manager Lind Global Macro Fund, LP, an investment fund managed by The Lind Partners. Lind Partners are supportive of the Company's growth strategy with the primary focus on the US education market. Post balance date, a further \$650,600 was raised through a non-brokered placement. It is pleasing to note that new and existing shareholders recognise the potential for the KneoWorld technology and the opportunity that the New York public school system, and indeed the wider US market presents.

### **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 special and general education classrooms via its KneoWorld portal 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 and more recently business to consumer.**



Authorised for release by the Board

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## ASX ANNOUNCEMENT - APPENDIX 4E (ASX: KNM)

KneoMedia Limited (**KneoMedia** or the **Company**) (**ASX: KNM**) is pleased to report its preliminary report for the Company and its controlled entities (the **Group**) for the financial year ended 30 June 2021 (**FY2021** or the **year**).

### PRELIMINARY REPORT FOR THE YEAR ENDED 30 JUNE 2021

Name of Entity	KneoMedia Limited
Australian Business Number	41 009 221 783
Current reporting period:	1 July 2020 to 30 June 2021
Previous corresponding reporting period:	1 July 2019 to 30 June 2020

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

		% Change		\$
<b>Results from operations</b>				
Revenues from ordinary activities	Increased	44.2	to	234,006
Cash receipts from customers	Increased	232.1	to	660,337
Deferred revenue (future period recognition)	Increased	855.1	to	467,187
Loss from ordinary activities after tax attributable to members	Decreased	13.5	to	3,154,187
Net loss for the year attributable to members of parent (after non-controlling interest)	Decreased	12.5	to	2,801,297

	Amount per share	Franked amount per share
<b>Dividends (distributions)</b>		
Final/Interim dividend	Nil ¢	Nil ¢
Previous corresponding period	Nil ¢	Nil ¢
Record date for determining entitlements to the dividends	N/A	

### Net Tangible Assets/(Liabilities) per security

As at 30 June 2021	(0.001) cents
As at 30 June 2020	0.078 cents

### REVIEW OF OPERATIONS AND FINANCIAL RESULTS

KneoMedia recognised revenue from ordinary activities increased 44.2% to \$234,006 (2020 \$162,308) and deferred revenue increased 855.1% to \$467,187 (2020 \$49,857) for the year.

The New York 'Connect All Kids' program has provided the majority of the Group's sales for the year. These contracts are for a period of three years. The revenue is recognised on a straight-line basis over the term of the contract resulting in deferred revenue of \$467,187 to be recognised over the balance of the contracts and accordingly booked as a liability until the contract term has been fulfilled.

While the statement of financial position reports a negative net asset position of \$344,007 (30 June 2020: \$1,335,121) contributing to the reduction in net assets is the inclusion of the deferred revenue liability of \$467,187 and a decrease in cash and cash

equivalents. Throughout the financial year the Group received less funds from capital raising which has contributed to the lower cash balance at the reporting date.

As noted in significant events after balance date, on 12 July 2021 the Company completed a capital raising of \$650,600, considerably improving the cash balance to maintain ongoing business activity.

KneoMedia incurred a reduced loss attributable to the members of the parent for the year of \$2,801,297 (2020: \$3,201,773). Throughout the year operating costs were well controlled and reduced by \$421,296 compared to the previous year. Also contributing to the improved result was a revenue increase of 44.2% compared to the previous reporting period.

Net cash outflows from operating activities totalled \$1,405,474 (2020: \$2,702,057). Alongside well controlled operating costs contributing to the reduction in outflows was an increase in receipts from the 'Connect All Kids' program.

Cash outflows from investing activities totalled \$701,471 (2020: \$730,898), expenditure is aligned with the previous period as a continued focus on additional product development content is integral to the successful rollout of the Company's KneoWorld education platform.

Net cash provided by financial activities totalled \$992,520 (2020: \$3,417,066), as outlined above the reduction in capital raising activities has impacted the overall year end cash position.

### Loss per share

	2021 \$	2020 \$
Basic and diluted loss per share	0.29 cents	0.42 cents

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>Revenue</b>			
Sales revenue from providing online education		234,006	162,308
Other income	1	50,182	50,444
		<b>284,188</b>	<b>212,752</b>
Employee benefits expenses and Directors' fees		(1,018,412)	(1,032,927)
Depreciation and amortisation expenses		(672,984)	(637,107)
Marketing expenses		(616,699)	(855,368)
Other expenses	2	(1,122,618)	(1,241,716)
Finance costs		(7,662)	(92,553)
<b>Loss before income tax</b>		<b>(3,154,187)</b>	<b>(3,646,919)</b>
Income tax expense		-	-
<b>Loss after income tax</b>		<b>(3,154,187)</b>	<b>(3,646,919)</b>
<b>Other comprehensive loss:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operations (net of tax)		6,743	(36,152)
<b>Total comprehensive loss for the year</b>		<b>(3,147,444)</b>	<b>(3,683,071)</b>
<b>Loss attributable to:</b>			
Members of the parent entity		(2,801,297)	(3,201,773)
Non-controlling interests		(352,890)	(445,146)
		<b>(3,154,187)</b>	<b>(3,646,919)</b>
<b>Total comprehensive loss attributable to:</b>			
Members of the parent entity		(2,795,903)	(3,230,897)
Non-controlling interests		(351,541)	(452,174)
		<b>(3,147,444)</b>	<b>(3,683,071)</b>
<b>Loss per share (cents per share)</b>			
Basic and diluted loss per share	3	<b>0.29</b>	0.42

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>Current Assets</b>			
Cash and cash equivalents		6,579	1,114,130
Trade and other receivables	4	24,251	245,035
Prepayments & Other assets		75,677	17,772
<b>Total Current Assets</b>		<b>106,507</b>	<b>1,376,937</b>
<b>Non-current Assets</b>			
Property, plant and equipment		9,919	5,205
Intangible assets	5	656,107	632,439
Non-refundable deposit to acquire non-controlling interest		50,000	50,000
Other non-current assets		129,697	129,697
<b>Total Non-current Assets</b>		<b>845,723</b>	<b>817,341</b>
<b>Total Assets</b>		<b>952,230</b>	<b>2,194,278</b>
<b>Current Liabilities</b>			
Trade and other payables	6	744,646	782,970
Deferred Revenue	7	476,187	49,857
Employee Benefits		61,663	26,330
<b>Total Current Liabilities</b>		<b>1,282,496</b>	<b>859,157</b>
<b>Non-current Liabilities</b>			
Employee Benefits		13,741	-
<b>Total Non-current Liabilities</b>		<b>13,741</b>	<b>-</b>
<b>Total Liabilities</b>		<b>1,296,237</b>	<b>859,157</b>
<b>Net Assets / (Deficiency of Net Assets)</b>		<b>(344,007)</b>	<b>1,335,121</b>
<b>Equity</b>			
Issued capital	8	24,074,690	22,710,648
Reserves		(49,649)	(159,317)
Accumulated losses		(21,581,453)	(18,780,156)
<b>Parent Entity Interest</b>		<b>2,443,588</b>	<b>3,771,175</b>
Non-controlling interest		(2,787,595)	(2,436,054)
<b>Total Equity / (Net Deficiency of Equity)</b>		<b>(344,007)</b>	<b>1,335,121</b>

*The consolidated statement of financial position should be read in conjunction with the accompanying notes*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021**

	Issued Capital	Accumulated losses	Foreign Currency Translation Reserve	Options Reserve	Non-Controlling Interest	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>22,710,648</b>	<b>(18,780,156)</b>	<b>(319,317)</b>	<b>160,000</b>	<b>(2,436,054)</b>	<b>1,335,121</b>
Net loss for the year	-	(2,801,297)	-	-	(352,890)	(3,154,187)
Other comprehensive loss	-	-	5,394	-	1,349	6,743
<b>Total comprehensive loss</b>	<b>-</b>	<b>(2,801,297)</b>	<b>5,394</b>	<b>-</b>	<b>(351,541)</b>	<b>(3,147,444)</b>
Shares issued	1,000,000	-	-	-	-	1,000,000
Conversion of director fees to shares	159,016	-	-	-	-	159,016
Shares issued to corporate advisor	205,026	-	-	-	-	205,026
Vesting of share based payments	-	-	-	104,274	-	104,274
<b>Balance at 30 June 2021</b>	<b>24,074,690</b>	<b>(21,581,453)</b>	<b>(313,923)</b>	<b>264,274</b>	<b>(2,787,595)</b>	<b>(344,007)</b>

*The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020**

	Issued Capital	Accumulated losses	Foreign Currency Translation Reserve	Options Reserve	Non-Controlling Interest	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>19,254,116</b>	<b>(15,578,383)</b>	<b>(290,193)</b>	-	<b>(1,983,880)</b>	<b>1,401,660</b>
Net loss for the year	-	(3,201,773)	-	-	(445,146)	(3,646,919)
Other comprehensive loss	-	-	(29,124)	-	(7,028)	(36,152)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(3,201,773)</b>	<b>(29,124)</b>	<b>-</b>	<b>(452,174)</b>	<b>(3,683,071)</b>
Shares issued	3,763,800	-	-	-	-	3,763,800
Conversion of director fees to shares	107,357	-	-	-	-	107,357
Transaction costs on shares issued	(414,625)	-	-	160,000	-	(254,625)
<b>Balance at 30 June 2020</b>	<b>22,710,648</b>	<b>(18,780,156)</b>	<b>(319,317)</b>	<b>160,000</b>	<b>(2,436,054)</b>	<b>1,335,121</b>

*The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		660,337	198,853
Receipts from government grants		50,000	50,000
Payments to suppliers and employees		(2,115,811)	(2,950,909)
<b>Net cash used in operating activities</b>	9	<b>(1,405,474)</b>	<b>(2,702,057)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(10,308)	(697)
Payments for capitalised product development costs		(691,163)	(705,201)
Loans advanced to related parties		-	(25,000)
<b>Net cash used in investing activities</b>		<b>(701,471)</b>	<b>(730,898)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		1,000,000	3,763,800
Payment for share issue costs		-	(254,625)
Proceeds from borrowings		-	420,000
Repayment of borrowings		-	(420,000)
Interest received		182	444
Finance costs		(7,662)	(92,553)
<b>Net cash provided by financing activities</b>		<b>992,520</b>	<b>3,417,066</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,114,425)</b>	<b>(15,889)</b>
Cash and cash equivalents at the beginning of the financial year		1,114,130	1,167,913
Effects of exchange rate changes on cash and cash equivalents		6,874	(37,894)
<b>Cash and cash equivalents at the end of the financial year</b>		<b>6,579</b>	<b>1,114,130</b>

*The consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

**NOTES TO THE (UNAUDITED) PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

<b>NOTE 1: OTHER INCOME</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Covid 19 ATO Relief	50,000	50,000
Interest income	182	444
	<b>50,182</b>	<b>50,444</b>

<b>NOTE 2: CORPORATE &amp; ADMINISTRATION EXPENSES</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Corporate costs	626,601	543,122
Consulting fees	337,666	305,322
Occupancy costs	87,194	98,148
Administration costs	66,730	124,052
Other expenses	4,427	171,072
	<b>1,122,618</b>	<b>1,241,716</b>

**NOTE 3: LOSS PER SHARE**

Basic loss per share is calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated by dividing the net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Basic and diluted loss to profit or loss	<b>0.29 cents</b>	0.42 cents
a. Reconciliation of earnings to profit or loss		
Loss for the year	3,154,187	3,646,919
Loss attributable to non-controlling interest	(352,890)	(445,146)
Earnings used to calculate basic and dilutive EPS	<b>2,801,297</b>	3,201,773
	<b>No.</b>	<b>No.</b>
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	<b>953,092,998</b>	766,823,251

Options (156,779,412) and performance rights (10,511,180) have not been included in the calculation of diluted EPS because they are anti-dilutive.

**NOTES TO THE (UNAUDITED) PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

<b>NOTE 4: TRADE AND OTHER RECEIVABLES</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Amounts receivable from investors for previous capital raising	-	200,000
Other receivables	9,182	9,170
	<b>9,182</b>	209,170
GST recoverable	15,069	35,865
	<b>24,251</b>	245,035

**Ageing analysis**

There are no customers with balances past due as at 30 June 2021 (30 June 2020: \$0).

All amounts are short-term.

The carrying amount of the receivable is considered a reasonable approximation of fair value as this financial asset (which is measured at amortised cost) is expected to be paid within six (6) months, such that the time value of money is not significant.

All the Group's trade and other receivables have been reviewed for indicators of impairment. None were found to be impaired and no allowance for credit losses (2020: Nil) has been recorded accordingly within other expenses.

<b>NOTE 5: INTANGIBLE ASSETS</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Gross carrying amount</b>		
Balance as at 1 July	2,172,310	1,467,109
Additions	691,163	705,201
<b>Balance at 30 June</b>	<b>2,863,473</b>	2,172,310
<b>Accumulated amortisation and impairment</b>		
Balance as at 1 July	(1,539,871)	(913,946)
Amortisation expense	(667,495)	(625,925)
<b>Balance at 30 June</b>	<b>(2,207,366)</b>	(1,539,871)
<b>Net book value at 30 June</b>	<b>656,107</b>	632,439

The intangible assets recognised by the Group is product development costs.

The product development costs capitalised are contracted costs attributable to preparing the products for their intended use. The product development assets are stated at cost less accumulated amortisation and impairment and are amortised on a straight-line basis over their useful lives of 2 years. The Group commenced the amortisation of intangible assets when the Group started to generate income in March 2016.

**NOTES TO THE (UNAUDITED) PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

<b>NOTE 6: TRADE AND OTHER PAYABLES</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
CURRENT (unsecured)		
Trade payables	408,049	469,906
Other creditors and accruals	242,059	224,978
Amounts payable to related parties	94,538	88,086
	<b>744,646</b>	<b>782,970</b>

Payables for superannuation and PAYG withholding are classified as other creditors and accruals.

<b>NOTE 7: DEFERRED REVENUE</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Balance as at July 1	49,857	20,495
Receipts from customers	662,066	183,878
Revenue recognised	(235,736)	(154,516)
<b>Balance at 30 June</b>	<b>476,187</b>	<b>49,857</b>

Deferred revenue represents revenue paid at the commencement of the contract for access to the online education platform. Revenue is then recognised on a straight-line basis over the term of contract.

<b>NOTE 8: ISSUED CAPITAL</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
988,246,660 (2020: 906,444,065) fully paid ordinary shares	<b>24,074,690</b>	<b>22,710,648</b>

<b>a. Ordinary Shares</b>	<b>2021</b>		<b>2020</b>	
	<b>\$</b>	<b>No.</b>	<b>\$</b>	<b>No.</b>
At the beginning of reporting period	22,710,648	906,444,065	19,254,116	713,884,564
Shares issued during the year:				
Conversion of director fees to shares	159,016	7,302,595	107,357	4,041,347
Shares issued (capital raising)	1,000,000	62,500,000	3,763,800	188,518,154
Shares issued to corporate advisor	205,026	12,000,000	-	-
Transaction costs on shares issued	-	-	(414,625)	-
At reporting date	<b>24,074,690</b>	<b>988,246,660</b>	22,710,648	906,444,065

**NOTES TO THE (UNAUDITED) PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

<b>NOTE 9: CASH FLOW INFORMATION</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of Cash Flow from Operations with Loss after Income Tax</b>		
Loss after income tax	(3,154,187)	(3,646,919)
Non-cash flows in profit:		
Depreciation & amortisation	672,984	637,107
Foreign exchange	(26)	
Shares issued in lieu of Directors Fees	159,016	-
Shares issued in lieu of accrued Consulting Fees	309,300	107,357
Cost of borrowing in financing activities	7,480	92,109
Changes in assets and liabilities:		
(Increase)/decrease in trade and term receivables	220,784	7,183
(Increase)/decrease in other assets	(57,905)	42,462
Increase/(decrease) in deferred revenue	426,330	
Increase/(decrease) in trade payables and accruals	(38,324)	43,412
Increase/(decrease) in current provisions	35,333	15,232
Increase/(decrease) in non-current provisions	13,741	-
Net cash flow outflow from operations	<b>(1,405,474)</b>	<b>(2,702,057)</b>

**NOTE 10: DETAIL OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE YEAR****Control gained over entities**

There was no control gained over entities in the year 30 June 2021

**Loss of control of entities**

There was no disposal of subsidiary entities in the year ended 30 June 2021

**NOTE 11: CONTINGENT ASSETS AND LIABILITIES**

The Group had no material contingent assets and liabilities as at 30 June 2021 (2020: nil).

**NOTE 12: STATUS OF THE AUDIT**

This Preliminary Financial Report is based on the Group's 2021 annual financial report, the accounts of which are in the process of being audited. It is likely that the independent audit report will be issued with an unmodified opinion.



**NOTE 13: SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

On 12 July 2021, the Company completed a capital raising of \$650,600 through a non-brokered placement of 108,433,335 fully paid ordinary shares at \$0.006 per share to new and existing investors. The placement was done at market and no fee was paid

There are no other matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the Group's operations in future financial years;
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years

On behalf of the board

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

**James Kellett,  
Executive Chairman**

31 August 2021