

27 September 2022

ASX/Media Release (ASX: KNM)

\$1 Million Option Funding Agreement to Advance KneoWorld Deployment

- **\$1 million option funding agreement signed utilising KNM unlisted options.**
- **If all KNM 2.5 cent options are exercised, they would generate up to \$3.125 million in option exercise proceeds for the Company.**
- **KNM will repay the funding progressively with anticipated proceeds from options as they are exercised, or earlier, at KNM's election.**
- **Funds will be used to further assist in the deployment of KNM's KneoWorld education platform primarily in New York City and Florida.**

Online education publisher KneoMedia Limited ("KneoMedia" or the "Company") (ASX: KNM) is pleased to announce that it has executed an Option Funding Agreement ("OFA") to receive funding of \$1,000,000 from Lind Global fund II, LP, an entity managed by New York based substantial shareholder The Lind Partners, LLC (together "Lind").

Chief Executive Officer James Kellett said: *"Substantial shareholder Lind have provided an innovative funding facility that allows us to continue our content development for the anticipated deployment of our KneoWorld educational platform in New York City and Florida without the need for an equity placement which would see additional dilution for shareholders. In providing this facility, Lind has again demonstrated their support for our well-developed education initiatives predominantly focused on New York City."*

"The Company has good reason to expect that over \$3m cash will be received from the exercise of its unlisted options in due course and the Lind OFA provides a cost-effective source of funding for the Company."

Details of Funding

The OFA proceeds will be advanced to the Company and KNM must use any funds received from exercise of options (the majority being 125m options exercisable at 2.5 cents on or before December 2023) to repay amounts owed allowing the OFA to be paid back progressively the next 14 months (November 2023).

The Company has 125m unlisted options exercisable at 2.5 cents and anticipates that a significant number will be exercised in due course as its KneoWorld platform deployment generates substantial revenue. If so, this will generate approximately \$3m of cash enabling the Company to comfortably repay the Lind facility, and fund further activities.

The key terms of the Option Funding Agreement are set out below:

- Immediate \$1,000,000 in cash paid to KneoMedia.
- 14-month term with a Face Value of \$1,150,000.
- Any proceeds received from the exercise of any options must be immediately paid to Lind in reduction of the amount outstanding.
- If the Company has not paid a minimum of \$200,000 in option proceeds by 180 days after closing, it must pay a such amount that a minimum of \$200,000 of the facility has been repaid by day 180.
- If Company raises \$1,000,000 (or more) of new equity, 20% of proceeds will

be applied to repayment of any outstanding funding.

- On the Closing Date, the Company must grant and deliver to the Lind or its nominee 40,000,000 unlisted options with an exercise price \$0.04 and expiry date of 48 months.
- At the Closing, the Company must pay a Commitment Fee of 3% of the funding amount (\$30,000) to Lind, which will be deducted from the loan proceeds.
- The Company may elect to pay back any outstanding amounts early without penalty.

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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