KNeoMedia Limited (ASX:KNM) is an online educational games publishing company that delivers ‘edutainment’ (education + entertainment) content to global education and consumer markets.

**Edutainment is a large and growing market.** Revenues in the global games-based edutainment learning market reached approximately $1.8 billion in 2014 with estimates of a CAGR 21.9% increase to $5.0 billion forecast by 2019.

(Source: Ambient Insight July 2015)

KNeoMedia Limited (ASX:KNM) is an online educational games publishing company that delivers ‘edutainment’ (education + entertainment) content to global education and consumer markets. Following a recent $1.25 million capital raising, KNM is targeting expansion into the high growth US and Chinese edutainment markets.

Over the past 12 months, KNM has made significant inroads into the North American edutainment market with a particular focus on expansion into New York City schools.

Successful recent trials have provided KNM with access to circa 500,000 students across public, private and catholic schools in the greater New York City area.

Moving forward, the program’s successful deployment in New York will provide the support and revenue required to expand the program throughout additional jurisdictions in North America together with the PTA fundraising revenue model.

In China, KNM and SmartTrans Holdings (ASX:SMA) have entered into an agreement where SMA will promote and distribute KNM’s mandarin language product, KNeoJunior. This agreement provides KNM with unrivalled reach to over 1.26 billion mobile subscribers.

The Company plans to continue building its revenue base by replicating its Chinese distribution model throughout the broader Asia Pacific market. KNM’s publishing platform allows it to regularly add new games-based learning products that it develops itself, and suitable third party products which are suitable for marketing by KNNeoMedia.

After consolidating the number of shares in KNM to 95.1m KNM has since completed a capital raising on the 15th of June 2015 for $1.25m at a price of 2.25 cents per share with the total number of shares on issue now at 171.9m (post the consolidation & capital raising).

We are initiating coverage on KNM with a 12-month price target of A$0.10/sh and a BUY recommendation. The price target is underpinned by our DDM valuation and uses a cost of equity of 9.7%.

Disclaimer: On the 15th of June 2015 KNM completed a $1.25m capital raising at 2.25 cents per share with APP Securities Pty Ltd (“APP Securities”) Pty Ltd. APP Securities received a fee for this service.
KneoMedia Limited (KNM), previously Entellect Limited (ESN), is an online educational publisher with a multi-dimensional product base that delivers high-quality edutainment content to global educational and consumer markets.

KNM has an 80% interest in KNeoWorld Inc., which is an interactive educational games portal where students can access and play their way through games that are subtly infused with high-level educational content. The content covers key learning areas including numeracy, literacy, science and arts.

The inherent educational value of the online games is endorsed by a variety of independent developers worldwide in conjunction with a number of educators who assess and approve the games for publishing.

A pivotal part of KNeoWorld’s business model is their ability to track the performance of the users through their advanced KNeoMetrics system combining educational metrics with game efficacy.

KNM is moving rapidly towards the commercial launch of its KNeoWorld products in the untapped and high growth oriented North American edutainment market, following successful trials across New York City schools involving 500,000 students.

KNM is also targeting expansion into the growing Chinese edutainment market, through the launch of its first Mandarin language product KNeoJunior via the distribution agreement with SMA.

The Company is poised to become a market leader in the educational games and learning based media industry. With the belief that children learn naturally by means of play, their objective is to enhance children’s curriculum through the acquisition and retention of knowledge.

Educational games have been proven to be effective in dramatically increasing educational outcomes as compelling games promote engagement through self-motivation.

The target demographics of KNM are primary and secondary school students who comprise approximately 8-12% of the global population, thus ensuring a broad constituency.

The primary market therefore are parents of 5-12 year old children who by subscribing, give their children an educational advantage by playing fun and engaging games with validated educational content.

The secondary market is the children themselves who require engaging games – and also extends to young adults seeking new and interesting games and content.

KneoWorld Overview

Features & Benefits

KNM’s 80% owned KNeoWorld Inc., is a publishing house whose business revolves around selling engaging educational games through its fun KNeoWorld Games Portal and as downloadable apps to the global edutainment market.

Furthermore, KNM’s revolutionary KNeoMetrics system has the ability to simultaneously track gameplay and educational progress through specific Application Programming Interfaces (APIs). The data collected on play and education from the games will provide a unique metrics-based design approach to enhance the educational benefits for each game. This provides information to parents and teachers on the educational needs of their children to allow for further development in subjects that they are struggling with.
KNM’s KNeoWorld Education by Entertainment Games Portal has been awarded the Parent Tested Parent Approved (PTPA) Winner’s Seal of Approval. PTPA Media has North America’s largest volunteer parent testing community, with over 65,000 parents and was rated the Most Trusted Seal by over 22,000 parents across North America.

KNM has also seen the KNeoWorld be inducted into The Toy Man® News and Reviews and awarded Toy Man® Seal of Approval which is a highly recognized international leader in independent product and online service evaluation.

KNeoWorld’s products and online services are recognised as meeting the high standards required to be entitled to use The Toy Man® Seal of Approval which is considered an emblem of the most trusted online source, along with other considerable awards as mentioned below:

1. The Toy Man® “Award of Excellence” – The products which are recipients of this award demonstrate a significant level of quality in design, safety and value. In their evaluation results they receive an overall rating of five stars from all category ratings.
2. The Toy Man® “eco-Recognition™ Seal” – This seal is bestowed upon products which provide a significant contribution to ecological concern; and
3. The Toy Man® eChoice™ Award – This serves as an emblem of recognition for products and online services that contribute substantially to positive skill growth and/or productivity.

Edutainment market overview

The expanding ‘Edutainment’ (education + entertainment) market includes fun and engaging games-based products that have inherent educational value, designed to fast-track the learning experiences of young students.

Revenues in the global games-based learning market reached approximately $1.8 billion in 2014 with estimates of a CAGR 21.9% increase to $5.0 billion forecast by 2019.

KNM’s primary target markets have performed strongly, with the North American market generating over $429 million in revenue, second only to the $1.11 billion generated by the Asian market.

While the United States remains the top buyer by of edutainment products by region, it is anticipated that China will overtake the US as the world’s largest consumer of edutainment games and products by 2018. Ambient Insight estimates the worldwide games-based learning five-year growth rate for both the North American and Asian market to remain above 7%.

The games-based learning industry has seen a range of catalysts for growth including the deployment of national broadband education networks throughout the greater Asian region, government initiatives on education policy, the high penetration rate of smart phones in developing countries, the digitization of content and the rapid deployment of smart devices in schools to fast track education.
Games-based learning is seen as an integral part of childhood education and is ubiquitous across early grade learning in both the United States and China. Growth in education markets, combined with developments in mobile devices and connectivity, will continue to accelerate the innovation, adoption and affordability of edutainment products around the world.

Chinese distribution

KNM has entered an agreement with SMA under which SMA will promote and distribute KNM’s interactive edutainment games and products to the Chinese market. KNM’s first Mandarin language product, KNeoJunior, will be initially launched in the Guangdong Province – however additional products have been earmarked for distribution across multiple Chinese jurisdictions shortly after.

Accessibility

KNeoWorld has been amassing games that are agnostic to all platforms and with the release of new KNeoWorld content, the developers are transcribing the portals to Android and iTunes Apps.

Child Online Privacy Protection Act, USA (COPPA) has restricted the content, external promotional links, use of personal data and any identifying data of children under 13 years. Offices of Fair Trading in many jurisdictions are applying heavy penalties for misleading advertising and conduct. Furthermore iTunes' new curated store for children is not only applying the strictest application of COPPA but also stringent parent gates (approval) and bans on; in App purchases, pop-up advertising and external links.

In this rapidly changing environment KNeoWorld's Apps are fully compliant and their parent approved simple subscription model provides KNM with a great opportunity to quickly deploy in a product vacuum and become a market leader.


Figure 2: Availability of KNeoWorld Games Based Learning Portal

KNeoWORLD Games Based Learning Portal is now available worldwide on:

- in all browser formats.
- including iOS8.
- currently releasing Chinese, Spanish and Russian language versions on Android.

Source: KNM

Key Operational Drivers

KNeoWorld's core products have been proven to accelerate learning using compelling and fun online games infused with validated educational content, all embedded in a total virtual KNeoWorld, to teach the higher order skills required by children to succeed in today's knowledge-based economy, going beyond the traditional school and homework model.

KNeoWorld has already enticed over 500,000 players globally during market testing as the games were offered free of charge although now as part of the monetization deployment, free play is now limited to 30 minutes and payment is now required for continued play.

To address the broad market that KNeoWorld appeals to varying from parents, children and young adults, the decision to introduce a pricing strategy developed purely to meet the different markets and demographics:

- **Story Mode** subscriptions are priced at US$4.99 per month which includes three family logins. This provides full access to all educational benefits and metrics and is targeted towards the Parent Teachers Association (child market) and direct carrier billers;

- **Arcade Mode** is priced at US$2.99 as a one off for iTunes and Google Play stores App Access. This version will provide access to a range of individual games but not the KNeoWorld Story or educational benefits and metrics;

- **Arcade** on direct carrier payment platforms, the regional pricing of the app ranges from US$2.99 to US$6.49.
Figure 3: KNeoWorld

KNeoWORLD.com is a fun education games portal where young students play their way through a futuristic and epic world and are introduced to the concept of career selection and progression. They do this by playing compelling games that are subtly infused with validated educational content including numeracy, literacy, science and arts. Kids are going to play games, GBL works, we provide safe, fun and compelling game play at a low subscription price.

Source: KNM

Figure 4: Kneo World Market Channels

The USA Parent Teacher Association

KNM has developed an initiative with the USA Parent Teacher Association as a sales initiative to raise funds for the access of the KNeoWorld products for children.

The National Parent Teacher Association comprises millions of families, students, teachers, administrators, and business and community leaders devoted to the educational success of children and the promotion of parent involvement in schools. It is a not for profit association that prides itself on being a powerful voice for all children, a relevant resource for families and communities, and a strong advocate for public education.

Membership in PTA is open to anyone who wants to be involved and make a difference for the education, health, and welfare of children and youth.

This collaboration will assist KNM’s access to at least 50,000 elementary and middle schools and 23 million students in their target market. Under the fund raising initiative a 50% of net revenue from each subscription taken out by parents for family access royalty is paid to their individual school PTA.

Furthermore KNM has also built an extensive network with the educating community across the greater New York area including a database of over 63,000 school principals.
NYC Expansion Program

In North America, KNM has trialled the KNeoWorld product in New York City over the past 12 months to validate both the efficacy of its game-based learning platform, and to confirm the engaging nature of the platform’s structure and content.

KNeoWorld along with eminent New York educators, fund raisers and professionals is leading an initiative to embed KNeoWorld content on 14,000 mobile devices and computers provided to underprivileged students in Harlem to assist their general education and break the “digital divide”.

After the substantial in-school testing had been successfully completed KNeoWorld received an excellent response that led to the extension of this program to a second larger district for special needs students, District 75.

District 75 is the NYC public school district for special needs children, with over 200,000 students. An example of the product’s successful uptake to date is PS 811X in the Bronx, part of District 75, which is currently using KNeoWorld games to enhance learning for its special needs students.

PS 811X is now expediting KNeoWorld’s vendor application through to the Department of Education approval process to enable direct purchase of the KNeoWorld portal throughout additional schools in District 75 thereby circumventing administrative delays experienced in other districts.

Moving forward the program’s successful deployment in New York will provide the support and revenue required to expand the program throughout additional jurisdictions in North America together with the PTA fundraising revenue model.

Key Growth Drivers

Education Departments Market - Malaysia

Developing countries are rapidly deploying iPad and Google Chromebooks to students to fast track education and also minimise the cost of printing and distributing learning materials.

Malaysia is currently at the forefront of this movement through KNeoWorld’s MOU with the Universiti Pendidikan Sultan Idris (UPSI).

The partnership with UPSI is intended to increase distribution of KNeoWorld products via the commercial arm of the University for the Malaysian Education Department and to the independent Malay-Chinese schools under their fundraising model.

A successful deployment in Malaysia similarly to New York will provide the enticement for licensing to the education Departments of other developing countries.

SmartTrans (SMA) Distribution in China

KNM is in the process of releasing its Mandarin language product, KNeoJunior, to the Chinese market through its distribution agreement with SMA.

SMA has significantly strengthened its online and mobile billing payment platform and now has access to over 1.3 billion mobile devices via the three largest telecommunications companies in China – China Mobile, China Unicom and China Telecom.

Under the agreement, SMA will promote KNeoJunior content to consumers on smart phones and tablets, to be sold via SMA’s embedded payment platform. The platform charges the subscriber’s phone account (both post or pre-paid) with KNM, SMA and the relevant telco to share transactional value.

As announced 15 June 2015, KNM will be using a portion of the $1.25 million capital raising to accelerate the marketing of the KNeoJunior product in the Guangdong Province in China.

It is anticipated KNeoJunior will soon after be published throughout China and followed in quick succession by two further products for distribution by SMA.
Figure 5: SMA’s payments and distribution platforms

![Mobile & online payments platform – China Market](image)

Source: SMA

The use of smartphones in China is not only the largest in the world but is also the fastest growing.

Figure 6: Smartphone use

![Smartphone use in 2014](image)


**Industry Snapshot**

Worldwide game-based learning market reached $1.8 billion in 2015. The global growth rate is forecast to rise to a CAGR of 21.9% before reaching $5.0 billion in 2019.

Source: Ambient Insight July 2015

The US games market is estimated to be in excess of $65 billion combined with the mobile application market having reached $17.5 billion by 2012 the industry is set for rapid growth. This is partly due to the fact that the traditional games market has been substantially altered making it no longer commercially viable to produce high quality classic educational games but instead involves low cost games with an emphasis on short and social play sessions.

This has caused issues for self-publishing developers who now have to directly address major issues such as sales and marketing on top of being able to differentiate themselves from their competitors.

According to the GSV Education Factbook, it is expected that educational games for 6 to 16 year olds are poised for massive growth from $2 billion in 2012 to $7.4 billion by 2017.

Knowledge Nation believes that there will be a sustained, rapid growth in most parts of the
educational software and multimedia game industries.

Advancements in research and technology make the delivery of product more flexible and hence more affordable for consumers.

The target demographics of Knowledge Nation, primary and secondary school students, comprise approximately 8-12% of the global population, thus ensuring a broad constituency.

**Key Risks**

**Funding**

With no revenues from customers to date, KNM burnt through $225,000 of cash in the March quarter. The $1.25 million capital raising relieves fears of future funding needs and we anticipate KNM should receive further Research & Development grants in the September quarter.

**Reputational risk**

SMA is a listed distributor to KNM. Any negative events relating to this business could have spill over affects to KNM and its share price.

**Regulatory risk**

Child Online Privacy Protection Act, USA (COPPA) has restricted the content, external promotional links, use of personal data and any identifying data of children under 13 years.

Offices of Fair Trading in many jurisdictions are applying heavy penalties for misleading advertising and conduct.

iTunes’ new curated store for children is not only applying the strictest application of COPPA but also stringent parent gates (approval) and bans on; in App purchases, pop-up advertising and external links.

KNeoWorld's Apps are fully compliant but additional regulations may be imposed.

**Key person risk**

KNM is very reliant on senior management. The management team is critical to the stability and success of KNM both as a business and as a listed investment vehicle.

**Competitive Risk**

The company is operating in the highly competitive, rapidly developing games-based learning market, and faces significant global adversity in gaining and maintaining market share. This runs the risk of being overrun by competitors or the market being flooded (even by free offerings, damaging the company’s position (see following Section on Competitors).

**Intellectual Risk**

Not having technology/processes under patents exposes KNM to under cutters and highly successful rip-offs that could hinder the success of KNM.

**Large Competitors**

Nickelodeon, the international television network has the ability to draw on popular television characters, that already appeal to children and young adolescents to promote its games, some well-known characters include SpongeBob square pants, teenage mutant ninja turtles, Dora the Explorer and many others.

The television network has access to approximately 91.7 million pay televisions across the United States. Furthermore their website gives children access to a variety of games many of which are designed as educational and are also free to play.

Disney like Nickelodeon has built a great deal of brand recognition with children and parents and through the release of a number of movies and TV shows they are easily able to access the online gaming market using characters and storylines that have been established and tested in the market. The online gaming platform they have built also operates as a free service for users.

Both of the above companies are major players in the industry although one competitive advantage that KNM does hold is the backing by educational leaders and the Parent teacher association which is mentioned earlier (on Page 6).

**Other Competitors – Sites/Apps**

Other competitors in games-based learning are extensive and too numerous to mention.

To illustrate this point we make reference to the (one year-old) list of 100 favourite sites/apps for Game-Based Learning created by David Kapuler.

The resources vary from drill and practice to all-out epic adventures in 3D virtual worlds, to help
ganify a classroom. Entries helpfully listed are in alphabetical order (with mobile apps double-asterisked). Source: http://www.techlearning.com/default.aspx?tabid=100&entryid=7263

The list of 100 competitors may be in the games business but they are not in the same channels as KNM. To repeat, the competitive advantage that KNM holds is the backing by educational leaders and the Parent teacher association.

Other Competitors – Monash/McGill/Cambridge Universities

Meanwhile in other parts of the world progress is being made by other bodies in somewhat similar channels to assist kids with certain social behaviours.

According to Monash University on 6 July 2015: “Monash University researchers have developed the world’s first tablet technology designed to assist children with developmental disabilities such as autism and Down Syndrome.

“The technology aims to help children stay focused, in a bid to facilitate learning and inclusion within the school environment.

“The gaming technology - developed with DreamWorks contractor Torus Games and Australian Technology Commercialisation firm, Grey Innovation - has been tested in a pilot study aimed at determining whether using the games for 20 minutes five days a week over a five week period leads to improved attention and focus.

“It is estimated that around three per cent of Australian children have a developmental disability, which reduces their ability to concentrate and stay focused on a task, switch attention between tasks, inhibit impulsive responding, and mentally hold and use information.

“Disruption to these processes can lead to difficulties in learning and academic performance, as well as difficulties developing social skills.

“There are currently very few interventions that aim to improve these core attention skills in these children and, more importantly, current measures focus on the use of standardised tests for assessment of strengths and weaknesses.

“Lead researcher, Professor Kim Cornish, from the Monash School of Psychological Sciences, said traditional methods, such as IQ tests, did not accurately capture the range of cognitive and behavioural problems associated with these disabilities.

“According to Professor Cornish, these testing methods also did not isolate which areas needed improvement, or in fact which interventions have made the improvement.

“The study conducted a randomised trial of 77 children with developmental disabilities. The intervention group with the tablet technology showed improved:

♦ Core cognitive attention skills (selective and sustained attention) - These were maintained for up to three months after the training ceased (longer term testing has yet to be conducted); and

♦ Numeracy abilities.

“The new gaming technology developed by Professor Cornish and her team is being commercialised by a spinoff company, Tali Health, in an effort to raise the funding needed to extend the length of the trials and to offer it to more children.

“According to Professor Cornish, while there are literally hundreds of apps available that claim to improve attention, intelligence, and brainpower, none have been assessed clinically, so ascertaining the true impact that these interventions may have on childhood cognition is impossible.

“At Monash and previously at McGill University in Canada, Professor Cornish has been studying attention delays in children with developmental disorders, and has published over 100 papers on the use of computer based attention tasks.

“The training program is the first to be scientifically tested using a Randomised Control Trial, which will enable researchers to determine the long-term efficacy of using interactive technologies to train such core cognitive areas as attention.”

This follows another study done by Monash University on 26 August 2014:

“Designed for autistic children aged six to 12, Whiz Kid Games aims to discover whether or not an interactive video game can help improve certain social behaviours such as following instructions and making eye contact.

“Whiz Kid Games consists of several therapeutic games that aim to address core autistic deficits, specifically independent living skills, using animation and audio.

“The trial participants are divided into an experimental group and a control group. The experimental group members are exposed to the program for a period of five weeks and are required to play the
games at home for at least 10 minutes a day. Participants assigned to the control group do not receive the intervention.

“Whiz Kid Games consists of several therapeutic games that aim to address core autistic deficits, specifically independent living skills, using animation and audio.

“Associate Professor Kylie Grey at the Monash Centre for Development Psychiatry and Psychology is the chief investigator of the trial. Prof Grey has worked at Monash University for nearly 20 years and specialises in developmental and intellectual disabilities.

Figure 7: Whiz Kid Games.


“Whiz Kid Games was created five years ago in a collaborative effort between Swinburne University’s multimedia design program, the Swinburne Autism Bio-Research Initiative and the Bulleen Heights Specialist School.

“About 80 Swinburne Multimedia Design students were responsible for developing the program’s content – with assistance from lecturers, programmers, autism experts, psychologists and speech therapists.

“Deputy department chair of communication and digital media design at Swinburne James Marshall says it was a collaborative effort.

Mr Marshall helped mentor the students who designed Whiz Kid Games and was responsible for the programming.

“The idea for the program was inspired by research from Cambridge University.

“In 2008, autism expert Simon Baron-Cohen – director of Cambridge University’s Autism Research Centre and professor of developmental psychopathology – conducted a research study involving autistic children and their ability to recognise emotion.

“The children were exposed to a series of animations called The Transporters, which required the matching of emotions with a remote.

“The research found that following exposure to the DVD, the participants of the study were able to successfully recognise and comprehend emotions in real life situations.

“Mr Marshall said the research showed that animations could have a big effect on the behaviour of autistic children.

“According to provisional psychologist and Deakin University associate lecturer Leigh Elliot, there has been public interest in the trial after an autistic child’s mother discovered the research online.

“There are also plans to venture into the mobile technology market, with an application of Whiz Kid Games being developed.

“The app will be compatible with iOS and Android devices.”

Financials

The following earning summary shows that KNM is forecast to sharply grow profitability in the next few years.
Capital structure

At an EGM on 28 May 2015 KNM obtained approval of Shareholders to consolidate the number of securities it has on issue into a smaller number in the ratio of 30 to 1.

On the 15th of June 2015 KNM completed a $1.25m capital raising with BBY Asia Pacific Group Pty Ltd (renamed APPS) to fund its growth initiatives. The share placement was at 2.25 cents per share to sophisticated investors.

The total number of shares now stands at 171.8m (post the consolidation & capital raising).

Figure 10: Fully diluted share base (showing 39 Convertible Notes) – recent issues are highlighted

Valuation

We are initiating coverage on KNM with a 12-month price target of A$0.10/sh and a BUY recommendation. The price target is underpinned by our DDM valuation and uses a cost of equity of 9.7%.
Business Partners

Board of Directors & Management

KNM has an extremely diverse and experienced team that together build a solid reputation for the company.

Andrew Plympton
Non-Executive Chairman

Andrew brings a great deal of experience to the company after formerly serving as the Chief Executive Officer and Chairman of two global insurance broking firms' Asia Pacific operations, and more recently appointed to the Australian Advisory Board of AON Group. He is also an executive member and director of the Australian Olympic Committee as well as a commissioner of the Australian Sports Commission and also currently serves as Chairman of, Shoply Limited (ASX:SHP) and is Director of Sunbridge Group Limited (ASX:SBB) and Energy Mad Limited (NZX:MAD).

James Kellett
Chief Executive Officer

James was appointed as a non-Executive Director as of August 2010 before becoming the CEO of KNM in December 2010. He has previously held senior executive positions within the finance and communications industries as well as brings over 30 years’ experience in corporate finance and business management to the company. Furthermore Mr Kellett as the founder and Managing Director of Furneaux Equity Limited, is an Associate of the Financial Services Institute of Australasia brings an array of skills to the business ranging from business management to governance.

Franklin Lieberman
Executive Director

The most recent addition to the Board of Directors Mr Lieberman has proven himself as a very experienced and accomplished media and marketing executive after managing his own marketing strategy communications business primarily building awareness for major corporations including AT&T, IBM, Hoffmann-LaRoche, PepsiCo, Pfizer, Johnson & Johnson, Warner Lambert, Coca Cola, Universal Pictures and J Walter Thompson for over 20 years. Furthermore Frank has served as Executive Producer of feature films for Warner Bros. and has produced numerous television shows for NBC, CBS, ABC, PBS, and special video music industry projects for A&M Records. He also has worked closely with the United Federation of Teachers and the American Federation of Teachers for over six years which is only strengthening as he is currently working on KNeoWorld for KneoMedia where he is at the forefront of educational marketing initiatives.

Carlo Spicola
Senior Producer KNeoWorld

Mr. Spicola has had a distinguished career in digital media technologies and application development. He has provided application development, content design and new media consulting for MusiKube (technology platform now used for Shazam), Viacom and Children’s Television Workshop. He has also undertaken web site development for Ocean World Adventure Park, Sony Audio, Viacom and Warner Communications. Other production credits for Mr. Spicola include the interactive tour of "Arnold's Room" for Nickelodeon and virtual reality projects for Apple Computer and Sesame Street. He was also part of the team that launched MTV Latin America.

As multi-media manager and content producer for Nickelodeon’s Nick Online group, Mr. Spicola created the number-one children's online destination, including Hey Arnold, the most downloaded children's interactive toy on the Internet. Mr. Spicola also was in charge of conceptualising, pitching and producing co-branded online/integrated advertising and new media content projects for Nintendo, Pokémon, General Mills, the GAP and Kraft Foods.
Jeffrey Bennett  
Non-Executive Director  
With over 25 years’ experience in the resources, transport, IT and service industries having held senior finance positions at Ingena, Simcoco Pacific, BHP and Shell Mr Bennett contributes significant knowledge in corporate finance, capital markets, acquisitions and divestments and risk management to the Company. He is also the chairman of Jameson Resources Limited.

Sophie Karzis  
Company Secretary  
Sophie brings over 10 years’ experience as a commercial lawyer and company secretary as well as provides in house counsel to a number of private and public companies.

Rakesh Kamat  
Chief Technical Officer  
Mr Kamat is a partner at Indian based company Blastoff who specialise in cross platform mobile applications with over 10 year in architecting and building software-as-a-service ecommerce and content management systems. KNeoWorld has decided to outsource all of its web and application development to Blastoff where Mr Kamat is responsible for the centralised development activities whilst driving technology strategy to continue to produce innovative products.

Elizabeth Haukaas  
Vice President US Marketing & Product Development  
Elizabeth is the US-based chief marketing strategist in charge of establishing brand awareness of the KNeoWorld game-based learning platform for educators and learners. She also serves as creative director in developing character, story lines, and learning opportunities for educational markets and for concept and product development for supplementary markets.

Appendix 1: The Benefits of Game Based Learning

1. Better learning. It is quite simply easier to learn when you are having fun, immersed and focused.
2. Improved motivation and engagement. The best games capture and maintain your interest.
4. Personalized learning. Games offer a highly personalized experience, which allows you to learn at your own pace.
5. Collaborative learning. Learning to share resources and to co-operate as well as compete individually.
6. Problem solving. Formulate and test different strategies and identify the most successful path.
7. Decision making. Quickly evaluate your options and make the right decisions – just like real life!
8. Building resilience. Games offer a safe environment to learn from your mistakes and pick yourself up and try, try again.
10. Recognition of achievement. Leader boards and scores map out your progress and highlight successes.

Source: KNM
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Contact with KNeoMedia Limited has been made during the preparation of this report for assistance with verification of facts.

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