Company Update

- Successful meeting with US Department of Education in Washington
- Demand for trials of KNeoWorld continues with two more cities in New Jersey
- Sales progress in New York City continue
- Additional trials to commence in Australia in February 2018

Online education publisher KNeoMedia Limited (“KNeoMedia” or the “Company”) (ASX: KNM) is pleased to provide this progress report with respect to its operations in the United States and Australia.

Meeting with United States Department of Education
Earlier this month, representatives of KNeoMedia met with the US Department of Education (US DOE) in Washington. Following this very successful meeting, the US DOE has requested an independent White Paper that demonstrates the empirical data (building on the current anecdotal evidence) to validate the efficacy and broad educational benefits of KNeoWorld in special needs education.

The Company has commenced the White Paper under the direction of Advisory Board member and Special Needs Education specialist, Dr. Mary McInerney, EdD (Doctorate in Education) and University Professorial review from a recognised US university. The White Paper is expected to be completed in the March 2018 quarter and will validate the Company’s educational content in the broader US market. It will also be used to support the ramp up of sales activity in Australia and then the Philippines.

The meeting and subsequent feedback from the US DOE represents a major step for KNeoMedia in the United States with the White Paper acting as a key catalyst for a broader sales roll-out to many more US States.

Update on trials of KNeoWorld in new markets
The trials of KNeoWorld Special Needs content in both Buffalo (NY) and Newark (NJ) are progressing successfully with very positive feedback from schools. As a result, two additional cities in the state of New Jersey will commence trials next month. As was the case in New York City, successful 30-day trials are the catalysts for conversions into seat license sales.

In Australia, the first KNeoWorld trial in Victoria has progressed well and two more are scheduled to commence at the start of the school year in February 2018. These trials will expedite sales conversions across a larger number of schools in Australia and the Company anticipates further penetration across Australia during the year.

Sales progress New York City
KNeoMedia is also pleased to report that further commitments have been received from District 75 Schools and the Company now awaits further budget allocation from the Department of Education in January. Growth in Seat Licences in New York City alone are expected to materialise very shortly and this market remains a key focus for the US team since our last update of 14,500 licenses reported on 26 October 2017.

The Company looks forward to updating shareholders on these developments in the New Year and expects to show strong quarter on quarter growth in new seat license sales and revenue in 2018.

– ENDS –
KNeoMedia Limited is an online education publishing company that delivers world-class education assessment products and games-based learning to global educational markets.

KNeoMedia publishes and markets from its US-based subsidiary, KNeoWorld Inc., and sells on an annual seat licence basis through its KNeoWorld.com portal via education departments and distribution agreements.

Games Based Learning is an integral part of childhood education. Growth in educational markets, combined with advances in mobile devices and connectivity, will continue to accelerate innovation, adoption, and affordability of our products around the world.

KNeoWorld is an education games portal where young and also special needs students play their way through a futuristic and epic world. They do this by playing compelling games that are subtly infused with validated educational content including numeracy, literacy, science, arts, reasoning and memory. KNeoWorld products provide extensive analytical performance data to educators and comply with child online privacy protection. Our SaaS model provides KNeoWorld with a global education market opportunity addressing both regular and special needs students.

For further information, please contact:

James Kellett
Chief Executive Officer
T: (03) 9286 7500 M: +61 439 805 070
E: jkellett@kneomedia.com

Sophie Karzis
Company Secretary
T: +61 3 9286 7500
E: sk@ccounsel.com.au

Released through: Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448

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