

# KNEOMEDIA

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## HALF YEAR REPORT APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2025



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**KNEOMEDIA LIMITED**  
**APPENDIX 4D**  
**AND FINANCIAL REPORT**

**FOR THE SIX MONTHS ENDED 31 DECEMBER 2025**

## ASX ANNOUNCEMENT – APPENDIX 4D

Entity: KneoMedia Limited  
 ABN: 41 009 221 783  
 Reporting period: For the period ended 31 December 2025  
 Previous period: For the period ended 31 December 2024

### Results for announcement to the market

	31 Dec 25 \$	Movement		31 Dec 24 \$
		\$	%	
<b>Total revenue from ordinary activities</b>	<b>387,610</b>	(404,637)	(51%)	792,247
<b>Deferred revenue (for future period recognition)</b>	<b>354,154</b>	(449,225)	(56%)	803,379
<b>Net loss for the period attributable to members of parent (after non-controlling interest)</b>	<b>(863,667)</b>	(199,459)	(30%)	<b>(664,208)</b>
<b>Loss from ordinary activities after tax attributable to members</b>	<b>(1,031,668)</b>	(236,234)	(30%)	<b>(795,434)</b>
Add back:				
Depreciation and amortisation expenses	(454,698)			(454,183)
Finance costs	(148,080)			(142,193)
<b>EBITDA<sup>(1)</sup></b>	<b>(428,890)</b>	(229,832)	(115%)	<b>(199,058)</b>

(1) EBITDA is a non-IFRS term, defined as net profit before interest, tax, depreciation and amortisation.

### Net tangible assets per ordinary share

	Cents
Reporting period	(0.008)
Previous period	(0.005)

### 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 2025 half-year financial statements.

This half-year report is to be read in conjunction with the financial report for the year ended 30 June 2025 and public announcements of the Company made on the ASX for the six months ended 31 December 2025.



James Kellett  
 Executive Chairman  
 Date: 27 February 2026

# HALF YEAR FINANCIAL REPORT

For the six months ended 31 December 2025

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## DIRECTORS' REPORT

The Directors present their report together with the financial statements of the consolidated entity consisting of KneoMedia Limited (“KneoMedia”, “KNM” or “the Company”) and its controlled entities (“Group”), for the half-year ended 31 December 2025 (“H1 FY25”).

### 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.

### PRINCIPAL ACTIVITIES

During the financial half-year, the principal activity of the Group was the development, marketing and delivery of world-class education and assessment products to markets in both general and special education classrooms via its USA subsidiary, Kneoworld Inc, a Google for Education Partner. The platforms, KneoScience and KneoAdventures, are sold on an annual student seat licence basis to education departments via distribution agreements. KneoScience and KneoAdventures are fully compliant with child online privacy protection including US COPPA, European GDPR. Our proven ability to engage, educate and assess provides a global education market opportunity selling on a business-to-business strategy.

### REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Revenue from ordinary activities for H1 FY26 was \$387,610 (H1 FY25: \$792,247). The New York City (NYC) *KneoScience* program again generated the majority of Group’s sales for the period.

The Group recorded a comprehensive loss for the half year of \$1,018,045 (H1 FY25: loss of \$941,711). The result can be attributed to revenue delays during the New York City mayoral transition period, including the Dept. Of Education. The loss was mitigated by reduced expenditure, and overall expenses control.

The statement of financial position reports a deficiency of net current assets of \$1,294,519 (30 June 2025: deficiency \$3,367,018. Included in net current asset deficiency is the liability for deferred revenue of \$354,154, which is a non-cash liability, that self-resolves over the licence period over the term of the contract of up to one year ending June 2026.

Revenue contracts for platform sales are for one years. The revenue is recognised on a monthly straight-line basis over the term of the contract resulting in a current deferred revenue balance of \$354,154 (30 June 2025: \$62,100) to be recognised over the contract life, and accordingly, booked as a liability until the contract term and related performance obligations have been fulfilled, by June 2026.

During H1 FY26, the Group’s net operating cash outflows totalled \$298,767 (H1 FY25: \$100,288 outflows). Receipts from customers totalled \$0 (H1 FY25: \$670,137) with payment of receivable delayed during the New York City mayoral transition period, including the Dept. Of Education. Payments to suppliers and employees decreased to \$298,805 (H1 FY25: \$770,940).

Cash outflows from investing activities totalled \$316,524 (H1 FY25: \$654,875). This capital investment is in line with the Company’s continued focus on product content development to remain ahead of the latest technological development in the market however the reduced investment also recognises the mature state of the Company’s Content Services Platform and the reduction required in ongoing investment.

Net cash provided by financing activities totalled \$600,384 (H1 FY25: \$1,380,097). In the first half of FY26 the Group has relied heavily on cash receipts and to maintain ongoing business activities reducing the reliance on capital funding.

### SUBSEQUENT EVENTS

There are no other matters or circumstances that have arisen since the end of the period 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 year.

## KNEOWORLD'S OPERATIONS

During the Half Year, the Board remained firmly focused on meeting listing rule requirements to facilitate the near-term resumption of trading of the Company's shares on the Australian Securities Exchange (ASX), following their suspension on 7 March 2024, while ensuring the continuity of current and future business operations and opportunities.

The Company has undertaken, and continues to undertake, a range of initiatives to address funding requirements and lift the suspension of trading. These initiatives include capital raising through share placements and a shareholder entitlement issue, partially sub-underwritten by Directors. Repayment terms of existing convertible notes and loan borrowings were renegotiated to support cash flow management, including extensions to maturity dates. Directors' and senior management emoluments were substantially reduced, deferred and, in part, converted to equity at the Annual General Meeting. Operating costs have also been materially reduced to further strengthen cash flow discipline.

The Company's strategy continues to prioritise the efficient deployment of available resources in the United States, with a clear focus on revenue growth and the development of recurring revenue streams through leveraging established partner relationships.

This strategy has been advanced through the continued development and deployment of the KneoScience Content Services Platform (CSP). At the commencement of the FY2026 school year in September 2025, the Company received an additional order of USD450,000 (approximately AUD700,000). Collection of this receivable is in progress, with timing impacted by the change of municipal administration and the caretaker period between mayoral elections and the incoming administration formally assuming office in January.

Additional sales activity is anticipated in the second half of FY2026, consistent with historical usage patterns of KneoScience and supported by FY2025 multi-district adoption and data demonstrating improved science proficiency outcomes in schools utilising the platform.

The FY2025 deployment of KneoScience established a new revenue stream for the Company. The scalable and differentiated nature of the platform supports increased penetration within New York City, broader adoption across New York State, and progressive rollout into additional U.S. states and cities. The Company continues to build engagement and sales momentum in this market.

The Company remains engaged with leading New York City education institutions and is working toward securing an additional funding arrangement to support broader deployment of KneoScience.

With core development of the KneoScience CSP now well advanced, ongoing investment in intellectual property has reduced to \$316,524 (H1 FY25: \$654,875), primarily relating to functional enhancements. A portion of this development expenditure relates to the inclusion of newly requested mandated high school science investigations.

While the initial scope of the New York State mandated Science Investigations covered Grades 3–8, the Company has at the request of the New York City Department of Education (NYC DOE), incorporated Biology and Earth Science Investigations for high school students into the platform. Deployment to students is expected in March 2026.

This expansion further reinforces the value attributed to KneoScience by DOE teachers and school principals. The inclusion of approximately 530 high schools expands the potential student deployment within New York City by approximately 300,000 students and increases the addressable market opportunity. The Company has made the necessary targeted investment to support this expansion. In addition, a further 1.3 million students across the remainder of New York State and non-public schools represent substantial additional scale opportunity for the mandated Science Investigations, where no comparable digital solution replaces the current paper-based format.

Since announcing its initial development investment in KneoScience in October 2024, educators have had extensive opportunity to utilise the platform, particularly during the latter part of the FY2025 academic year, which concluded in June 2025. Approximately 90% of teachers surveyed across five districts reported highly favourable feedback regarding KneoScience as a replacement for traditional paper-based investigations. Educators have consistently reported increased student engagement alongside significant reductions in preparation and grading time.

### International Markets

As previously advised, the Company's primary commercial focus remains the United States, particularly sales opportunities that align with the advanced capabilities of its Content Services Platform, which can be efficiently deployed at scale across large education systems and regulated and non-regulated markets.

To maintain this focus and preserve capital, other markets were placed into a no-cost holding position during and post COVID. These markets remain preserved for future activation, including the Company's joint venture partnership in the Philippines.

## OUTLOOK

KneoMedia's primary focus for the second half of FY26 is the resumption of trading of the Company's shares on the ASX and the scaling and completion of contractual arrangements relating to past and future KneoScience sales with NYC DOE.

The KneoScience platform can be progressively sold and deployed throughout the school year in alignment with the scheduling of mandated Science Investigations. As investigations are undertaken across the academic calendar, demand for conversion from the existing paper-based format to the Company's digital platform continues to strengthen. The Company continues to work with education stakeholders to align deployment with budget availability and funding cycles.

Approximately 700,000 New York City students are currently mandated to undertake the Science Investigations. A further 1.3 million students across the remainder of New York State and non-public schools represent additional scale opportunities for these mandated investigations, where no alternative digital solution exists. Over the past 1.5 years, platform data has demonstrated improved student outcomes, approximately 50% reductions in teacher grading time, and enhanced student progress tracking via secure digital reporting functionality.

Deployment of the KneoAdventures assessment platform within the Florida Early Learning Coalition (ELC) market also remains an active focus and ongoing revenue opportunity.

## 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.

## 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  
27 February 2026

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the review KneoMedia Limited (“the Company”) and its controlled entities (“Group”) for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of KneoMedia Limited.

**GEORGE GEORGIU FCA**  
**MANAGING DIRECTOR**  
**CONNECT NATIONAL AUDIT PTY LTD**  
Authorised Audit Company No. 521888  
27 February 2026

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Note	31 Dec 25 \$	31 Dec 24 \$
<b>Revenue</b>			
Sales revenue from providing online education	6	387,610	792,247
Other income	6	38	515
		<b>387,648</b>	<b>792,762</b>
<b>Expenses</b>			
Employee benefits expenses and Directors' fees		(403,898)	(391,231)
Depreciation and amortisation expenses		(454,698)	(454,183)
Marketing expenses		(138,891)	(299,088)
Corporate and administrative expenses	7	(273,750)	(301,501)
Finance costs	8	(148,080)	(142,193)
Gain on fair value movement of embedded derivative in convertible notes	12	-	-
		<b>(1,419,317)</b>	<b>(1,588,196)</b>
<b>Loss before income tax</b>		<b>(1,031,669)</b>	<b>(795,434)</b>
Income tax expense		-	-
<b>Loss after income tax</b>		<b>(1,031,669)</b>	<b>(795,434)</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)		13,624	(146,277)
<b>Total comprehensive loss for the year</b>		<b>(1,018,045)</b>	<b>(941,711)</b>
<b>Loss attributable to:</b>			
Members of the parent entity		(863,66)	(664,208)
Non-controlling interests		(168,002)	(131,226)
		<b>(1,031,669)</b>	<b>(795,434)</b>
<b>Total comprehensive loss attributable to:</b>			
Members of the parent entity		(781,441)	(762,856)
Non-controlling interests		(236,604)	(178,855)
		<b>(1,018,045)</b>	<b>(941,711)</b>
<b>Loss per share (cents per share)</b>			
Basic and diluted loss per share		0.02	0.04

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2024

	Note	31 Dec 25 \$	30 June 25 \$
<b>Current Assets</b>			
Cash and cash equivalents		25,445	42,896
Trade and other receivables		737,567	33,464
Prepayments and other assets		43,337	67,979
<b>Total Current Assets</b>		<b>806,349</b>	144,339
<b>Non-current Assets</b>			
Property, plant and equipment		2,775	3,797
Intangible assets	9	1,722,671	1,786,319
Other non-current assets		3,381	3,381
<b>Total Non-current Assets</b>		<b>1,728,827</b>	1,793,496
<b>Total Assets</b>		<b>2,535,176</b>	1,937,835
<b>Current Liabilities</b>			
Trade and other payables		1,342,171	1,663,155
Interest bearing loans and borrowings	10	394,236	1,127,227
Deferred revenue	11	354,154	62,100
Employee benefits		10,307	141,375
Convertible notes	12	-	517,500
<b>Total Current Liabilities</b>		<b>2,100,868</b>	3,511,357
<b>Non-current Liabilities</b>			
Interest bearing loans and borrowings	10	1,767,832	435,420
Trade and other payables		886,313	-
Deferred revenue	11	-	-
Employee benefits		206,383	81,961
Convertible notes	12	517,500	-
<b>Total Non-current Liabilities</b>		<b>3,378,028</b>	517,381
<b>Total Liabilities</b>		<b>5,478,896</b>	4,028,739
<b>Net Assets / (Deficiency of Net Assets)</b>		<b>(2,943,720)</b>	(2,090,904)
<b>Equity</b>			
Issued capital	13	31,998,279	31,833,049
Reserves		386,681	304,455
Accumulated losses		(30,501,069)	(29,637,402)
<b>Parent Entity Interest</b>		<b>1,883,891</b>	2,500,102
Non-controlling interest		(4,827,611)	(4,591,007)
<b>Total Equity / (Net Deficiency of Equity)</b>		<b>(2,943,720)</b>	(2,090,905)

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

## FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	Issued Capital	Accumulated losses	Foreign Currency Translation Reserve	Options & Performance Rights Reserve	Non-Controlling Interest	Total
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2024</b>		<b>29,443,865</b>	<b>(28,523,268)</b>	<b>(409,708)</b>	<b>898,969</b>	<b>(4,282,058)</b>	<b>(2,872,201)</b>
Net loss for the year		-	(664,208)	-	-	(131,225)	(795,433)
Other comprehensive loss		-	-	(98,648)	-	(47,629)	(146,277)
<b>Total comprehensive loss</b>		<b>-</b>	<b>(664,208)</b>	<b>(98,648)</b>	<b>-</b>	<b>(178,854)</b>	<b>(941,710)</b>
Shares issued	13	2,537,094	-	-	-	-	2,537,094
Expiry of options		-	-	-	-	-	-
Transaction costs on shares issued		(147,943)	-	-	-	-	(147,943)
Conversion of director fees to shares		-	-	-	-	-	-
<b>Balance at 31 December 2024</b>		<b>31,833,016</b>	<b>(29,187,476)</b>	<b>(508,356)</b>	<b>898,969</b>	<b>(4,460,912)</b>	<b>(1,424,760)</b>

## FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Note	Issued Capital	Accumulated losses	Foreign Currency Translation Reserve	Options & Performance Rights Reserve	Non-Controlling Interest	Total
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2025</b>		<b>31,833,049</b>	<b>(29,637,402)</b>	<b>(594,514)</b>	<b>898,969</b>	<b>(4,591,007)</b>	<b>(2,090,905)</b>
Net loss for the year		-	(863,667)	-	-	(168,002)	(1,031,669)
Other comprehensive loss		-	-	82,226	-	(68,602)	13,624
<b>Total comprehensive loss</b>		<b>-</b>	<b>(863,667)</b>	<b>82,226</b>	<b>-</b>	<b>(236,604)</b>	<b>(1,018,045)</b>
Shares issued	13	85,000	-	-	-	-	85,000
Conversion of director fees to shares	13	80,230	-	-	-	-	80,230
<b>Balance at 31 December 2025</b>		<b>31,998,279</b>	<b>(30,501,069)</b>	<b>(512,288)</b>	<b>898,969</b>	<b>(4,827,611)</b>	<b>(2,943,720)</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	31 Dec 25 \$	31 Dec 24 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	-	670,137
Payments to suppliers and employees	(298,805)	(770,940)
Interest received	38	515
<b>Net cash (used in) operating activities</b>	<b>(298,767)</b>	<b>(100,288)</b>
<b>Cash flows from investing activities</b>		
Payments for capitalised product development costs	(316,524)	(654,875)
<b>Net cash (used in) investing activities</b>	<b>(316,524)</b>	<b>(654,875)</b>
<b>Cash flows from financing activities</b>		
Proceeds from interest bearing loans	544,629	30,000
Repayment of interest bearing loans	(23,000)	(30,000)
Payments related to issue of shares	-	(147,944)
Proceed from the issue of shares	85,000	1,540,705
Finance costs	(6,245)	(12,664)
<b>Net cash provided by financing activities</b>	<b>600,384</b>	<b>1,380,097</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(14,907)</b>	<b>624,934</b>
Cash and cash equivalents at the beginning of the financial year	42,896	33,181
Effects of exchange rate changes on cash and cash equivalents	(2,544)	(42,768)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>25,445</b>	<b>615,347</b>

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

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

### NOTE 1: REPORTING ENTITY

KneoMedia Limited is a public listed Company limited by shares and is listed in Australia on the ASX. It is incorporated and domiciled in Australia.

### NOTE 2: BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL STATEMENTS

The interim consolidated financial report of the Group is for the six months ended 31 December 2025 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 2025 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.

### NOTE 3: NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The accounting policies adopted in the preparation of the interim half-yearly financial statements are consistent with those followed in the preparation of the consolidated entity's annual consolidated financial statements for the year ended 30 June 2025. The consolidated entity has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

### NOTE 4: ESTIMATES AND JUDGEMENTS

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

#### Recognition and amortisation of intangible assets

Development costs have been assessed and considered whether they will derive a future economic benefit. The useful life of development costs recognised as an intangible asset has been estimated at 2 years given the constant evolution of technology.

#### Recognition of performance rights

The vesting of performance rights has been assessed against the performance hurdles. Based on the view that the probability of achieving the performance conditions in order to exercise the performance rights is uncertain, the Group did not recognise any performance rights expense to the statement of profit or loss and other comprehensive income.

#### Valuation of the variable conversion option included in convertible notes

As disclosed in note 12 the Company had issued convertible notes with a variable equity conversion feature. Upon initial recognition, this variable conversion feature met the accounting definition of an embedded derivative; this was measured at its fair value using a Monte-Carlo simulation valuation model, with subsequent changes in fair value of this derivative taken to the profit or loss. The remaining underlying host contract at initial recognition was accordingly measured at amortised cost and will amortise back to its face value over the expected term of the loan applying the effective interest method. The key judgements applied in the valuation of the embedded derivative, aside from those inputs arising directly from the conversion clause entitlement and the Company's spot price applied at each remeasurement date included the following:

- a) an expiry date being the date of the maturity of the convertible note 1 March 2027.
- b) an expected volatility of 100%; and
- c) a risk-free rate of 3.84%.

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

### NOTE 4: ESTIMATES AND JUDGEMENTS (continued)

#### Valuation of debt and option loan facility

As disclosed in note 10 the Company executed a loan bridging financing facility to the amount of \$1,000,000 with 40,000,000 options issued to the lender. At inception of the loan, the arrangement was considered as a compound financial instrument following consideration of the terms of the arrangement including the options issued to the lender and other transaction costs incurred. The key judgements applied in the valuation of the options include the following:

- a) an expected volatility of 100%;
- b) a risk-free rate of 3.84%

#### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in determining the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

At 30 June 2024 the Group has accumulated tax losses which have not been recorded on the balance sheet due to the uncertainty of the timing of future assessable income. Unused revenue and capital losses will be available in the future to offset against income to the extent permitted by the relevant tax authorities.

### NOTE 5: GOING CONCERN BASIS OF ACCOUNTING

For the period ending 31 December 2025, the Group incurred a loss of \$1,031,668, (Dec 2024: loss of \$795,434), nil receipts from customers during the half-year and net cash used in operating activities totalled \$297,767, (Dec 2024: cash used in operating activities of \$100,288) and had a deficiency in its working capital of \$1,294,519 (June 2025: \$3,367,018).

As at 31 December 2025 the cash balance was \$25,445 (excluding any bank overdrafts), and the Net Asset deficiency was \$2,943,718 (June 2025: \$2,090,905).

These matters or conditions give rise to a material uncertainty that may cast a significant doubt on the consolidated entity's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above, the Directors believe there are reasonable grounds to expect the consolidated entity will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report, and that therefore it is appropriate to adopt the going concern basis in the preparation of the annual financial report.

The Directors have prepared multiple cash flow forecasts that indicate that the consolidated group will have sufficient cash flows to meet its commitments for a period of at least 12 months from the date of signing this report. Based on the scenarios included in the cash flow forecasts, the Directors are satisfied that, the going concern basis of preparation is appropriate. These forecasts include, inter-alia, capital raising, continuation of recurring revenue streams including anticipation of further successful deployment of the KneoScience Investigations programme, reduction of discretionary spending and other cost-saving measures, as well as additional funding options and anticipated outcomes as disclosed below.

The assessment of the going concern assumption is based on the group's cash flow projections which applies a number of judgements and estimates, resulting in a range of reasonably possible scenarios that maintain a cash positive position.

The Directors have taken the following into consideration in preparing these cash flow forecasts:

#### **Cash flow from operations**

- Trade receivables comprising KneoScience USD \$450,000 invoice (approximately A\$700,000) is to be received from the debtor in March 2026. Payment of the USD \$450,000 by the debtor in New York City Council was delayed in the quarter end December 2025 due to changes in appointed NYC officials and administration which caused delays in administration of payments. The Directors are of the opinion payment of the invoice will be received in March 2026 based on communications made by the relevant administrative body.

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

### NOTE 5: GOING CONCERN BASIS OF ACCOUNTING (continued)

#### ***Cash flow from operations (continued)***

- In respect of specific use of KneoScience, we can confirm all 5 districts; 24, 28, 29, 30 and 11 continue usage from last year and educators now enjoy the benefit of up to date student performance data and year on year comparison reports via the students secure data wallets, together with the teachers ease of grading and the elimination of paper printing, distribution and storage (millions of sheets of paper).
- Current usage exhibits similar year on year usage by the schools for 2026 vs 2025 with over 130,000 students and 10,000 admins and teachers having access.
- Anticipated continued deployment of the KneoScience Investigations platform in New York City for up to 400,000 students. The contracts are for a 12 month period on a subscription basis

Important to note the Science Investigations are commonly undertaken in the second half of the year and KneoScience PD specialists have again been invited to provide in-school training to teachers in anticipation of that peak usage. We note questions attempted by students on the platform YTD before the peak period exceed 520,000 over 37,000 sessions.

- Reduction in operating and IP development costs as the KneoScience product approaches development completion with an expected reduction in the vicinity of \$400,000 per annum in the upcoming 12 months.

#### ***Cash flow from funding***

- The Company was suspended from trading with the ASX in March 2024. The Company is in preparation to apply for reinstatement subsequent to the reporting period and the reinstatement is a key assumption to support the going concern basis of accounting for the Group
- Further, subsequent to the reporting period, and dependent upon the restatement to the ASX, the Company is in planning to raise capital circa \$3 Million to meet working capital requirements and consider an acquisition of an Australian business (which will initially be a non-cash acquisition funded by script loans) with synergistic technology and marketing methodology. The possible acquisition will not constitute a change in core business and will be complimentary to the Company
- Extension of external party funding prior to the half year-end to a maturity date of more than 12 months from the date of signing this report to support working capital cash flow requirements (refer to Note 10 (a)).
- Agreements for Director support that related party loans (refer to Note 10 (b)) will not be called upon for repayment before 1 March 2027.
- The Company \$2m Equity Placement Facility agreement dated 27 January 2020, which has terms and conditions that require the Company be listed on and trading on the ASX, was extended to 31 January 2027.
- Once the Company is re-instated, as an ASX listed entity, the company has the ability to access equity capital markets and has a history of being able to raise additional capital as and when the Directors consider appropriate.
- Possible extensions of external funding solutions to meet working capital requirements.

Whilst the Directors have every confidence in the above, should these matters not be completed as anticipated whether the entity is able to continue as a going concern and therefore realise its assets and discharge its liabilities in the normal course of business, is uncertain.

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED 31 DECEMBER 2025

#### NOTE 6: REVENUE AND OTHER INCOME

	31 Dec 25 \$	31 Dec 24 \$
Sales revenue from providing online education	387,610	792,247
Interest income	38	515
	<b>387,648</b>	<b>792,762</b>

#### NOTE 7: CORPORATE & ADMINISTRATION EXPENSES

	31 Dec 25 \$	31 Dec 24 \$
Corporate costs	(170,440)	(211,202)
Consulting fees	(57,030)	(39,237)
Occupancy costs	(18,181)	(29,974)
Administration costs	(28,099)	(21,088)
	<b>(273,750)</b>	<b>(301,501)</b>

#### NOTE 8: FINANCE COSTS

	31 Dec 25 \$	31 Dec 24 \$
Loan option funding interest	(73,243)	(105,669)
Related party loan interest	(19,571)	(21,838)
Trade finance funding interest and charges	(47,864)	-
Bank charges and interest	(7,402)	(14,686)
	<b>(148,080)</b>	<b>(142,193)</b>

#### NOTE 9: INTANGIBLE ASSETS

	31 Dec 25 \$	30 June 25 \$
<b>Gross carrying amount</b>		
Balance as at 1 July	7,571,026	6,211,687
Additions	390,108	1,359,339
<b>Balance</b>	<b>7,961,134</b>	<b>7,571,026</b>
<b>Accumulated amortisation and impairment</b>		
Balance as at 1 July	(5,784,708)	(4,877,196)
Amortisation expense	(453,755)	(907,510)
<b>Balance</b>	<b>(6,238,463)</b>	<b>(5,784,708)</b>
<b>Net book value</b>	<b>1,722,671</b>	<b>1,786,319</b>

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

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED 31 DECEMBER 2025

#### NOTE 10: INTEREST BEARING LOANS AND BORROWINGS

<b>Current (unsecured)</b>	<b>31 Dec 25</b>	<b>30 June 25</b>
	\$	\$
Loan bridging facility at amortised cost, net of borrowing costs	-	1,127,227
Bank finance at amortised cost, net of borrowing costs	55,129	
Short term loan	40,908	-
Trade finance loan	298,199	-
	<b>394,236</b>	<b>1,127,227</b>
<b>Non-current (unsecured)</b>		
Loan bridging facility at amortised cost, net of borrowing costs	1,159,675	-
Related party loan, at amortised cost <sup>(b)</sup>	453,491	435,420
Trade finance loan	154,666	-
	<b>1,767,832</b>	<b>435,420</b>

During the period, the Group held the following short-term loans:

#### a) Loan Bridging Facility

On 12 September 2022, the group executed a loan bridging financing facility to the amount of \$1,000,000 with a repayment of the loan due by November 2023, subsequently renegotiated. The loan bears interest at 15%, with an initial repayment amount due and payable of \$1,150,000 at term. The loan amount was fully drawn as at 30 September 2022 with the proceeds from the loan having been used to meet short-term expenditure needs. As at 31 December 2025 the contractual cash repayable is \$850,000.

The loan is carried at its amortised cost as at 31 December 2025 and ranks senior and is not secured over assets of the group.

In exercising the loan arrangement, the Group issued to the lender 40,000,000 options exercisable for 48 months with an exercise price of \$0.04.

At inception of the loan, the arrangement was considered as a compound financial instrument following consideration of the terms of the arrangement including the options issued to the lender and other transaction costs incurred. Accordingly, the group measured an initial equity component of \$539,075, and an initial financial liability of \$415,925, with the contractual cash repayment of \$1,150,000 due in November 2023, subsequently re-valued to a date of 31 March 2025. Other transaction costs of \$45,000 have been allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds received. An amount of \$300,000 from a February 2023 share placement was used to pay down the loan facility.

As a repayment has been made the amortised cost of the liability has been adjusted to reflect actual cash flows. The gross carrying amount of the of the financial liability has been recalculated as the present value of the estimated future contractual cash flows discounted at the original effective interest rate.

Loan interest expense of \$73,243 was recognised in the period and is a non-cash expense as noted in Note 8.

On 29 September 2025 the loan bridging facility was renegotiated to extend the term to 31 October 2026, the loan bridging facility was subsequently extended during the period to 1 March 2027, all other terms remained the same except for monthly accrued interest to be paid commencing from July 2026 until maturity or termination.

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED 31 DECEMBER 2025

#### NOTE 10: INTEREST BEARING LOANS AND BORROWINGS (continued)

##### b) Related Party Loans

On 17 May 2023, the group executed a loan arrangement for up to \$255,000 with a related party of the group. The loan was renegotiated to a sum of \$415,000 during the year end 30 June 2024 with a maturity date of no earlier than 1 November 2025. The loan was further extended during the period to a maturity date of no earlier than 1 March 2027. The loan is unsecured and the proceeds have been used to meet short-term expenditure needs. Loan amounts up to the facility amount can be redrawn during the loan period. The loan is to be repaid following the Group's receipt of any advanced funding from the New York Department of Education or any capital raising proceeds subsequent to the loan date. The loan carries interest at 10.0% per annum, calculated on any outstanding balance payable.

There were no loan costs incurred in executing the loan. The loan payable was reduced by \$100,000 in December 2024 by way of a rights issue placement (a non cash transaction). The loan is carried at amortised cost with the financial liability of \$390,991 recognised as at 31 December 2025, including \$19,571 accrued interest as noted in Note 8.

#### NOTE 11: DEFERRED REVENUE

	31 Dec 25 \$	30 June 25 \$
Current deferred revenue	354,154	62,100
Non-current deferred revenue	-	-
<b>Balance</b>	<b>354,154</b>	<b>62,100</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 contract term. Revenue contracts for platform sales range from one to three years. The increase from 30 June 2025 is reflective of increased sales.

#### NOTE 12: CONVERTIBLE NOTES

As at 31 December 2025, 18 convertible notes remain outstanding with a face value of \$450,000 of the 52 convertible notes issued in November 2021. The convertible notes have a mechanism for the note holder to convert the loan into a varying number of shares in the Company at a 20% discount to the preceding 15-day VWAP, but not greater than \$0.015 per share.

The maturity dates of the notes have been re-negotiated a number of times and as at 31 December 2025 have a maturity date of 1 March 2027 under amended terms of; accrued interest of 15% p.a. payable in shares or cash on principal balance on redemption or conversion commencing from the last maturity date being 31 December 2024, no conversion before 31 March 2025, if not converted, new maturity date at Lind request until December 2025 and extension consideration of 100 million 2 year options exercisable at \$0.0025 per share which is the same exercise price as other recently issued options.

The expiry of the 18 convertible notes with a face value of \$450,000 were extended during the period to 1 March 2027, all other terms remained the same.

The table below demonstrates the movement in the convertible note liability since 30 June 2025.

Non-Current (unsecured)	31 Dec 25 \$	30 June 25 \$
<b>Reconciliation</b>		
Opening convertible notes at fair value:	517,500	483,750
Add: Change in fair value of embedded derivative	-	-
Add: Net change in fair value of embedded derivative and Host Liability	-	-
Add: Interest payable on the convertible note	-	33,750
<b>Balance</b>	<b>517,500</b>	<b>517,500</b>

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED 31 DECEMBER 2025

#### NOTE 12: CONVERTIBLE NOTES (continued)

The Directors of the Group appointed an external valuation expert to perform a fair value valuation on the convertible notes and the related embedded derivatives at inception, since inception and at 31 December 2024. The table below demonstrates the value of the embedded derivative and host liability.

<b>Non -Current (unsecured)</b>	<b>31 Dec 25</b>	<b>30 June 25</b>
	<b>\$</b>	<b>\$</b>
Convertible note – host liability at amortised cost	392,676	392,676
Convertible note – fair value of embedded derivative	124,824	124,824
<b>Balance</b>	<b>517,500</b>	<b>517,500</b>
<b>Face value of notes</b>	<b>450,000</b>	<b>450,000</b>

The convertible notes are unsecured, bear an interest payable of 15% and no related parties participated.

Upon initial recognition, this variable conversion feature met the accounting definition of an embedded derivative; this was measured at its fair value using a Monte-Carlo simulation valuation model, with subsequent changes in fair value of this derivative taken to the profit or loss. The remaining underlying host contract at initial recognition was accordingly measured at amortised cost and will amortise back to its face value over the expected term of the loan applying the effective interest

method. The key judgements applied in the valuation of the embedded derivative, aside from those inputs arising directly from the conversion clause entitlement and the Company's spot price applied at each remeasurement date included the following:

- a) an expiry date being the date of the maturity of the convertible note at 1 March 2027;
- b) an expected volatility of 100%; and
- c) a risk-free rate of 3.84%.

The fair value of the embedded derivative is measured using significant observable inputs (level 2 hierarchy). As at 31 December 2025 there has been no change in the Group's valuation process, valuation techniques and types of inputs used in the fair value measurement at the end of the reporting period and in comparison to prior period. There have been no transfers between levels of fair value hierarchy at the end of the period.

#### NOTE 13: ISSUED CAPITAL

<b>2024</b>	<b>31-Dec-24</b>	<b>31-Dec-24</b>
	<b>\$</b>	<b>No:</b>
<b>Ordinary Shares</b>		
At the beginning of reporting period	29,443,865	1,769,011,804
Shares issued during the year		
Placement tranche 2	671,389	447,592,866
Placement - oversubscribed	225,000	150,000,000
Conversion of broker fees to shares	-	4,860,000
Rights issue	1,640,705	1,139,805,473
Transaction costs on shares issued	(147,943)	-
<b>At reporting date</b>	<b>31,833,016</b>	<b>3,511,270,143</b>

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED 31 DECEMBER 2025

#### NOTE 13: ISSUED CAPITAL (continued)

2025	31-Dec-25 \$	31-Dec-25 No:
<b>Ordinary Shares</b>		
At the beginning of reporting period	31,833,049	3,511,270,143
Shares issued during the year		
Conversion of director fees to shares	80,230	40,160,000
Shares issued	85,000	42,500,000
<b>At reporting date</b>	<b>31,998,279</b>	<b>3,593,930,143</b>

#### NOTE 14: SHARE BASED PAYMENTS

##### Performance rights

Performance rights granted to key management personnel are under the Group's Long-Term Incentive Plan (LTIP). The table below discloses the performance rights granted to Directors and Senior Executives. The performance rights do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date. The vesting conditions require gross revenues of \$6,000,000 to be achieved in any given 12-month consecutive period as well as continued employment, with the performance rights expiring on 30 November 2025.

	Grant date	No. granted (‘000)	Fair value at grant date (\$)	Expiry date	Number lapsed	Balance at 31 Dec 25 (‘000)	Vested (‘000)	Unvested (‘000)
James Kellett	30 Nov 2022	10,511	0.0200	30 Nov 2025	(10,511)	-	-	-
James Kellett	26 Nov 2025	20,000	0.0020	30 Nov 2028	-	20,000	-	20,000
Franklin Lieberman	30 Nov 2022	5,256	0.0200	30 Nov 2025	(5,256)	-	-	-
Franklin Lieberman	26 Nov 2025	10,000	0.0020	30 Nov 2028	-	10,000	-	10,000
Jeffrey Bennett	30 Nov 2022	5,256	0.0200	30 Nov 2025	(5,256)	-	-	-
Jeffrey Bennett	26 Nov 2025	10,000	0.0020	30 Nov 2028	-	10,000	-	10,000
Damian O’Sullivan	30 Nov 2022	5,000	0.0200	30 Nov 2025	(5,000)	-	-	-
Damian O’Sullivan	26 Nov 2025	15,000	0.0020	30 Nov 2028	-	15,000	-	15,000
<b>Total</b>					<b>(26,023)</b>	<b>55,000</b>	<b>-</b>	<b>55,000</b>

The fair value of the performance rights was determined using the share price at grant date:

##### Performance Rights issued 26 November 2025

Share Price at grant date	\$0.002
Valuation	\$110,000

In determining the number of equity instruments expected to vest at 31 December 2025, the probability of achieving the vesting conditions of the performance rights was assessed as 0%, resulting in a nil expense incurred in the period.

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED 31 DECEMBER 2025

#### NOTE 14: SHARE BASED PAYMENTS (continued)

##### Options

Set out below are summaries of options granted to corporate advisors and lenders during the year and outstanding at the end of the period.

Grant date	Expiry Date	Exercise Price (\$)	Balance at the start of the year- 1 Jul 2025	Granted	Exercised	Balance at 31 Dec 25
27 Sept 2022	27 Sept 2026	0.040	40,000,000	-	-	40,000,000
30 Nov 2022	30 Nov 2026	0.025	15,000,000	-	-	15,000,000
30 Nov 2022	30 Nov 2026	0.050	15,000,000	-	-	15,000,000
27 Aug 2024	31 Dec 2026	0.025	667,000,000	-	-	667,000,000
27 Aug 2024	31 Dec 2026	0.025	100,000,000	-	-	100,000,000
26 Nov 2025	31 Dec 2027	0.0001	75,000,000	75,000,000	-	75,000,000

#### NOTE 15: CONTINGENT LIABILITIES

There are no outstanding contingent liabilities as at 31 December 2025 (30 June 2025: Nil).

#### NOTE 16: 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 half year ended 31 December 2025.

##### Loss of control of entities

There was no disposal of subsidiary entities in the half year ended 31 December 2025.

#### NOTE 17: SUBSEQUENT EVENTS

There are no other matters or circumstances that have arisen since the end of the period 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 year.

## DIRECTORS' DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

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 2025 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  
27 February 2026

**Independent Auditor's Review Report  
To the members of KneoMedia Limited  
Report on the Half-year Financial Report**

***Conclusion***

We have reviewed the accompanying Half-year Financial Report of KneoMedia Limited ("the Company") and its controlled entities ("Group"). 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 group is not in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the group's financial position as at 31 December 2025 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

**The Half-year Financial Report comprises:**

- Consolidated statement of financial position as at 31 December 2025;
- 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;
- Notes 1 to 17 comprising a summary of material accounting policies and other explanatory information; and
- The Directors' Declaration.

***Basis for Conclusion***

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of the 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 Half-year Financial Report section of our report. We are independent of the group in accordance with the auditor independence requirements of the Corporations Act 2001 and 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.

We confirm that the independence declaration required by the corporations Act 2001 which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

***Emphasis of Matter regarding uncertainty related to going concern***

We draw attention to Note 5 of the financial report which describes that the directors have prepared and approved multiple scenario cashflow forecasts and are confident that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern.

For the period ending 31 December 2025, the Group incurred a loss of \$1,031,668, (Dec 2024: loss of \$795,434), nil receipts from customers during the half-year and net cash used in operating activities totalled \$297,767, (Dec 2024: cash used in operating activities of \$100,288) and had a deficiency in its working capital of \$1,294,519 (June 2025: \$3,367,018).

As at 31 December 2025 the cash balance was \$25,445 (excluding any bank overdrafts), and the Net Asset deficiency was \$2,943,718 (June 2025: \$2,090,905).

These matters or conditions give rise to a material uncertainty that may cast a significant doubt on the consolidated entity's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above, the Directors believe there are reasonable grounds to expect the consolidated entity will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report, and that therefore it is appropriate to adopt the going concern basis in the preparation of the annual financial report.

The Directors have prepared multiple cash flow forecasts that indicate that the consolidated group will have sufficient cash flows to meet its commitments for a period of at least 12 months from the date of signing this report. Based on the scenarios included in the cash flow forecasts, the Directors are satisfied that, the going concern basis of preparation is appropriate. These forecasts include, inter-alia, capital raising, continuation of recurring revenue streams including anticipation of further successful deployment of the KneoScience Investigations programme, reduction of discretionary spending and other cost-saving measures, as well as additional funding options and anticipated outcomes as disclosed below.

The assessment of the going concern assumption is based on the group's cash flow projections which applies a number of judgements and estimates, resulting in a range of reasonably possible scenarios that maintain a cash positive position.

The Directors have taken the following into consideration in preparing these cash flow forecasts:

#### ***Cash flow from operations***

- Trade receivables comprising KneoScience USD \$450,000 invoice (approximately A\$700,000) is to be received from the debtor in March 2026. Payment of the USD \$450,000 by the debtor in New York City Council was delayed in the quarter end December 2025 due to changes in appointed NYC officials and administration which caused delays in administration of payments. The Directors are of the opinion payment of the invoice will be received in March 2026 based on communications made by the relevant administrative body.
- In respect of specific use of KneoScience, we can confirm all 5 districts; 24, 28, 29, 30 and 11 continue usage from last year and educators now enjoy the benefit of up to date student performance data and year on year comparison reports via the students secure data wallets, together with the teachers ease of grading and the elimination of paper printing, distribution and storage (millions of sheets of paper).
  - Current usage exhibits similar year on year usage by the schools for 2026 vs 2025 with over 130,000 students and 10,000 admins and teachers having access.
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Important to note the Science Investigations are commonly undertaken in the second half of the year and KneoScience PD specialists have again been invited to provide in-school training to teachers in anticipation of that peak usage. We note questions attempted by students on the platform YTD before the peak period exceed 520,000 over 37,000 sessions.

- Reduction in operating and IP development costs as the KneoScience product approaches development completion with an expected reduction in the vicinity of \$400,000 per annum in the upcoming 12 months.

### **Cash flow from funding**

- The Company was suspended from trading with the ASX in March 2024. The Company is in preparation to apply for reinstatement subsequent to the reporting period and the reinstatement is a key assumption to support the going concern basis of accounting for the Group.
- Further, subsequent to the reporting period, and dependent upon the restatement to the ASX, the Company is in planning to raise capital circa \$3 Million to meet working capital requirements and consider an acquisition of an Australian business (which will initially be a non-cash acquisition funded by script loans) with synergistic technology and marketing methodology. The possible acquisition will not constitute a change in core business and will be complimentary to the Company.
- Extension of external party funding prior to the half year-end to a maturity date of more than 12 months from the date of signing this report to support working capital cash flow requirements (refer to Note 10 (a)).
- Agreements for Director support that related party loans (refer to Note 10 (b)) will not be called upon for repayment before 1 March 2027.
- The Company \$2m Equity Placement Facility agreement dated 27 January 2020, which has terms and conditions that require the Company be listed on and trading on the ASX, was extended to 31 January 2027.
- Once the Company is re-instated, as an ASX listed entity, the company has the ability to access equity capital markets and has a history of being able to raise additional capital as and when the Directors consider appropriate.
- Possible extensions of external funding solutions to meet working capital requirements.

Whilst the Directors have every confidence in the above, should these matters not be completed as anticipated whether the entity is able to continue as a going concern and therefore realise its assets and discharge its liabilities in the normal course of business, is uncertain.

Our review was conducted in accordance with ASRE 2410. Our conclusion is not modified in respect of this matter; however, users should be aware of the inherent uncertainty associated with the key assumptions, that is, the Company's reinstatement on the ASX and timely continued receipts from its recurring revenue stream, which support the going concern basis of accounting.

### ***Emphasis of Matter - Revenue Recognition***

We draw attention to Note 4 (b) to the financial report for the year ended 30 June 2025, which describes the basis for revenue recognition and the assumptions used in the preparation of the financial report, including the recurring revenue in the cashflow forecasts. Revenue recognised are supported primarily by revenue invoices, email communications, historical revenue collections, management representations, and other supporting documentation evidencing that performance obligations have been or will be completed. However, there is limited formal commercial documentation, such as signed contracts or enforceable agreements, supporting the underlying arrangements.

Our review was conducted in accordance with ASRE 2410. Our conclusion is not modified in respect of this matter; however, users should be aware of the inherent uncertainty associated with the supporting documentation and forecast assumptions.

### ***Responsibilities of the Directors for the Half-year 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 Corporations Act 2001
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility for the review of the Half-year 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 group's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and complying with Australian 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.

*Connect National Audit*

**CONNECT NATIONAL AUDIT PTY LTD**  
Authorised Audit Company No. 521888



**GEORGE GEORGIU FCA**  
**MANAGING DIRECTOR**  
27 February 2026