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ASX/Media Release
(ASX:KNM)

KNeoMedia well-funded with \$325,000 R&D rebate and growing revenue base from US sales

- **\$100,000 orders and sales booked in July – mainly driven by growth in US market**
- **US market sales growing steadily after summer vacation period**
- **Pipeline of 25 advanced sales inquiries being pursued from schools in greater New York area interested in KNeoWORLD edutainment offering**
- **R&D funds and revenue base gives KNM funding to initiate content marketing program**

Online education publisher **KNeoMedia Limited** (“**KNeoMedia**” or the “**Company**”) (**ASX: KNM**) is pleased to confirm that it has received a Research & Development (R&D) rebate of \$325,000 which gives the Company sufficient financial flexibility in the near term to build its sales pipeline in the United States, and initiate a global marketing program for its edutainment apps.

After booking AUD\$100,000 of sales from the implementation of its KNeoWORLD Games Based Learning Portal to schools in the Greater New York area, sales are continuing to build steadily now that school has returned after the two month summer vacation period.

The Company is also pleased to confirm that the level of interest for KNeoWORLD is growing strongly with over 25 sales enquiries at an advanced stage from public schools in the greater New York area. KNeoMedia is confident of converting many of these to sales in the coming weeks and months.

The capital injection from the R&D rebate, and recent US sales, have given the Company the necessary financial flexibility to trigger an intense and targeted digital marketing campaign of its apps and content to the broader consumer market and the US school PTAs.

KNeoMedia’s Chief Executive Officer, James Kellett commented: “The receipt of the R&D rebate is very timely and gives us the financial flexibility to really ramp up sales in the greater New York area coinciding with the start of the new school year, and in other markets where we are achieving consumer uptake through partnerships with the likes of Mobile Embrace.

“The opportunity in the United States is significant and compelling and this is our primary focus. We look forward to updating shareholders on sales progress here, the momentum we are building with Mobile Embrace, and the development of the iOS App which will be launched imminently.”

– ENDS –

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About KNeoMedia Limited:

KNeoMedia Limited is an online games publishing company that delivers world-class edutainment games to global educational and consumer markets (education + entertainment = edutainment).

KNeoMedia publishes and markets from its US-based subsidiary, KNeoWORLD Inc., and sells on a micro-subscription and Apps basis through the KNeoWORLD.com games portal, Apps Stores and via distribution agreements and education departments.

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 a fun education games portal where young 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 and arts. KNeoWORLD Apps comply with child online protection and the parent approved simple subscription model provides KNeoWORLD with a global opportunity to quickly deploy in a product vacuum and become a market leader.

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