



KNEOMEDIA LIMITED
ACN 009 221 783

PROSPECTUS

For a non-renounceable pro rata entitlement offer of 3.5 New Shares for every 10 Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.0015 per New Share to raise approximately \$1.25 million (before costs) (**Entitlement Offer**).

The Entitlement Offer closes at 5.00pm (AEDT) on Wednesday, 20 November 2024 (unless extended). Valid applications must be received before that time. Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement under the Entitlement Offer.

The Entitlement Offer is fully underwritten.

This Prospectus is also being issued in order to facilitate secondary trading of the Placement Shares.

THIS IS AN IMPORTANT DOCUMENT WHICH REQUIRES YOUR IMMEDIATE ATTENTION AND SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR, OR OTHER PROFESSIONAL ADVISOR.

AN INVESTMENT IN THE SECURITIES OFFERED BY THIS PROSPECTUS SHOULD BE CONSIDERED HIGHLY SPECULATIVE IN NATURE.

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IMPORTANT INFORMATION

General

This Prospectus is dated 4 November 2024, and was lodged with ASIC, on that date. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation by ASX of the New Shares offered under this Prospectus.

A copy of this Prospectus is available for inspection at the Australian registered office of the Company at Level 7, 333 Collins Street, Melbourne, Victoria, Australia 3000, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Sections 7.2 and 7.17).

No person or entity is authorised to give any information or to make any representation in connection with an Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with an Offer.

Application Forms

Applications for New Shares offered by this Prospectus can only be made in accordance with the instructions on the accompanying Application Forms. Please read the instructions in this Prospectus and on the accompanying Application Forms regarding the acceptance of an Offer.

By returning an Application Form, lodging an Application Form with a stockbroker or otherwise arranging for payment of New Shares in accordance with the instructions on the Application Form, an Applicant acknowledges that they have received and read this Prospectus, acted in accordance with the terms of the Offer to which the Application Form relates and agree to all of the terms and conditions as detailed in this Prospectus.

Overseas Shareholders

This Prospectus does not, and is not intended to, constitute an offer of New Shares in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The Offers are not being extended, and New Shares will not be issued, to Shareholders with a registered address which is outside Australia and New Zealand. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than New Zealand) having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of New Shares to existing Shareholders in any jurisdiction other than Australia and New Zealand. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and any such restrictions should be observed. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

Important information for New Zealand investors

The Entitlement Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

The Entitlement Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Entitlement Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Entitlement Offer. If you need to make a complaint about the Entitlement Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The Entitlement Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Disclosing entity

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

Exposure Period

No exposure period applies to the Offers.

Speculative Investment

An investment in the New Shares should be considered highly speculative. Refer to Section 5 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for New Shares should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the New Shares.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative

investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that the Securities will make a return on the capital invested, that dividends will be paid on the Shares (including New Shares) or that there will be an increase in the value of the Shares in the future.

Forward-looking Statements

This Prospectus contains forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 5. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Neither the Company, its related bodies corporate or affiliates nor their respective directors, officers, partners, employees and agents give any warranty, representation, assurance or guarantee that the occurrence of the events expressed or implied in any of the forward-looking statements in this Prospectus will actually occur. In addition, please note that past performance should not be relied upon as (and is not) an indication or guarantee of future performance.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to AEDT, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 9.

CORPORATE DIRECTORY

Directors

James Kellett
Executive Chairman

Franklin Lieberman
Executive Director

Jeffrey Bennett
Non-Executive Director

Company Secretary

Eryl Lynne Baron

Registered Office

Level 7, 333 Collins Street, Melbourne, Victoria,
Australia, 3000

Telephone: +61 1300 155 606

Website

www.kneomedia.com

ASX Code: KNM

Share Registry*

Boardroom Pty Limited
Level 8, 210 George Street
Sydney, NSW 2000
Telephone: (02) 9290 9600

Auditor*

Connect National Audit Pty Ltd
Level 14, 333 Collins Street
Melbourne VIC 3000

Solicitors

Thomson Geer
Level 23, Rialto South Tower
525 Collins Street
Melbourne VIC 3000

*These parties are named for informational purposes only and were not involved in the preparation of this Prospectus.

INDICATIVE TIMETABLE FOR ENTITLEMENT OFFER*

Event	Date
Lodgement of Prospectus with ASIC and ASX	Monday, 4 November 2024
Company sends letters to Ineligible Shareholders	Monday, 4 November 2024
"Ex" Date	Wednesday, 6 November 2024
Record Date (at 7:00pm AEDT)	Thursday, 7 November 2024
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders	Monday, 11 November 2024
Opening Date	Monday, 11 November 2024
Last day to extend the Closing Date for the Entitlement Offer by 12pm (AEDT)	Friday, 15 November 2024
Closing Date for the Entitlement Offer (at 5:00pm AEDT)	Wednesday, 20 November 2024
New Shares under Entitlement Offer quoted on a deferred settlement basis	Thursday, 21 November 2024
Notification of Shortfall	Friday, 22 November 2024
Issue of New Shares under the Offers	Tuesday, 26 November 2024
New Shares expected to commence trading on ASX on a normal settlement basis	Thursday, 28 November 2024
Anticipated date for despatch of holding statements for New Shares	Tuesday, 3 December 2024

*The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Offers at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest. Investors who wish to submit an Application and subscribe for New Shares under the Entitlement Offer and/or Shortfall Shares under the Shortfall Offer are encouraged to do so as soon as possible after the Entitlement Offer opens. There is no guarantee that Eligible Shareholders will be allocated any Shortfall Shares under the Shortfall Offer.

LETTER FROM THE CHAIR

Dear Shareholder

KneoMedia Limited ACN 009 221 783 (**Company**) is pleased to present this Entitlement Offer to Shareholders.

Offers

The Entitlement Offer is a non-renounceable pro-rata entitlement offer to Shareholders of 3.5 New Shares for every 10 Shares held by Eligible Shareholders at an issue price of \$0.0015 per New Share to raise up to approximately \$1.25 million (before costs). The Entitlement Offer is made to all Shareholders with a registered address in Australia and New Zealand on the Record Date, being 7:00pm on Thursday, 7 November 2024. The Entitlement Offer is fully underwritten by Mr Antanas Guoga (**Underwriter**).

The Entitlement Offer gives Eligible Shareholders the opportunity to maintain their KneoMedia shareholding without paying brokerage fees or other transaction costs, irrespective of holding size.

There is also an opportunity for Eligible Shareholders to apply for more than their Entitlement as part of the Shortfall Offer outlined in Section 2.6. However, there is no guarantee that Eligible Shareholders will be allocated any Shortfall Shares under the Shortfall Offer.

The Company intends to utilise the funds raised from the Offers for further technical advancement of the Company's KneoScience platform, paying the costs of the Offers and general working capital expenditure.

Further information about how to take up all or part of your Entitlement (with or without Shortfall Shares) is detailed in Section 4 of this Prospectus. For more details regarding the Underwriter, the sub-underwriting arrangements, the control implications of the Entitlement Offer and the terms of the Underwriting Agreement, refer to Sections 2.6, 2.8, 2.9, 3.3 and 7.2.

Placement


The Entitlement Offer follows strong support from sophisticated and professional investors via the Placement (including the Placement Oversubscriptions) undertaken by the Company of approximately 833 million Shares (at an issue price of \$0.0015 per Share), under which the Company raised an aggregate of \$1.25 million (before costs). Refer to Section 7.1 for further information in relation to the Placement.

Further information

Full details of the Offers are set out in this Prospectus. Please read this Prospectus carefully before deciding whether or not to invest. An investment in the Company contains specific risks which you should consider before making that decision. A non-exhaustive list of risk factors relevant to an investment in the Company is set out in Section 5. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional adviser.

On behalf of the Board, I invite you to consider this investment opportunity as we thank you for your continued support.

Yours faithfully



James Kellett
Executive Chairman
Dated: 4 November 2024

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1. Investment Overview

Topic	Summary	Further information
The Offers		
What is the Entitlement Offer?	<p>The Company is offering 3.5 New Shares for every 10 Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.0015 per New Share to raise approximately \$1.25 million (before costs).</p> <p>Eligible Shareholders will be given the opportunity to take up all or part of their Entitlement. Entitlements are also non-renounceable.</p> <p>Eligible Shareholders can also apply for Shortfall Shares in excess of their Entitlement under the Shortfall Offer by completing the relevant section of their Entitlement and Acceptance Form. There is no guarantee that Eligible Shareholders will be allocated any Shortfall Shares under the Shortfall Offer.</p>	Section 2.1
Can I subscribe for more than my Entitlement and what is the Shortfall Offer?	<p>Yes, if you take up your Entitlement in full, you can apply for additional Securities under the Shortfall Offer.</p> <p>The allocation of additional New Shares applied for under the Shortfall Offer will be subject to the Shortfall (if any) that exists depending on the level of take up of Entitlements by Eligible Shareholders.</p> <p>There is no guarantee that Eligible Shareholders will be allocated any Shortfall Shares under the Shortfall Offer. The Company reserves the right to issue to an Eligible Shareholder who has applied for Shortfall Shares a lesser number of Shortfall Shares than the number applied for, reject an application or not proceed with the issuing of the Shortfall Shares or part thereof.</p>	Section 2.6
What is the purpose of the Offers and how will the funds raised be used?	<p>The purpose of the Offers is to raise approximately \$1.25 million (before costs).</p> <p>The funds raised from the Offers will be used for further technical advancement of the Company's KneoScience platform, paying the costs of the Offers, retirement of debt, and general working capital expenditure.</p>	Section 2.4
What is the effect of the Offers on the Company?	<p>The maximum number of New Shares that will be issued under the Offers (subject to rounding) is 830,012,666 New Shares (New Shares) assuming that no Options are exercised into Shares and no Performance Rights are converted into Shares before the Record Date.</p>	Section 3.1
What is the effect of the Offers on the control of the Company?	<p>The effect of the Offers on the control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders under the Entitlement Offer.</p> <p>No Shares will be issued to any person under the Offers if, in the view of the Directors, to do so would increase that persons Voting Power in the Company above 20% in breach of the Corporations Act or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.</p>	Sections 2.8, 2.9, 3.2, 7.2, 7.3 and 7.4

Topic	Summary	Further information
	<p>The Underwriter has agreed to use its best endeavours to allocate the Shortfall Shares to sub-underwriters such that neither the Underwriter nor any of its sub-underwriters will individually have a Voting Power in the Company in excess of 15%. Sub-underwriting agreements entered by the Underwriter with parties including Directors of the Company (being Messrs James Kellett, Jeffrey Bennett and Franklin Lieberman), or their associated entities, are outlined in Section 7.3.</p> <p>The maximum potential Voting Power of the Underwriter as a result of the Offers is 32.20% of the Shares, representing the Shares held by the Underwriter as at the date of this Prospectus and all of the New Shares offered under the Entitlement Offer, on the basis that no Eligible Shareholders takes up their Entitlements and that the anticipated sub-underwriting arrangements described above and in Sections 2.9 and 7.3 do not proceed for any reason.</p>	
Is the Entitlement Offer subject to a minimum subscription?	No.	Section 2.5
Who can participate in the Entitlement Offer?	Eligible Shareholders, being Shareholders on the Record Date with a registered address in Australia or New Zealand on the Share Register, may participate in the Entitlement Offer.	Sections 2.1 and 4.1
How do I accept my Entitlement?	<p>If you are an Eligible Shareholder and you wish to take up all or part of your Entitlement, you must pay the full Application Monies via BPAY® by no later than 5.00pm (AEDT) on the Closing Date.</p> <p>New Zealand based Shareholders will not be able to pay via BPAY® and will instead need to make payment via EFT. New Zealand based Shareholders should follow the instructions on their personalised Entitlement and Acceptance Form.</p>	Section 4.1
Can I sell or transfer my Entitlement under the Entitlement Offer?	No, as the Entitlement Offer is non-renounceable, you cannot sell or transfer any of your Entitlement. There will be no trading of Entitlements on ASX.	Section 2.3
Is the Entitlement Offer underwritten?	<p>The Entitlement Offer will be fully underwritten by Antanas Guoga (Underwriter) pursuant to the terms and conditions of the Underwriting Agreement. Refer to Section 7.2 for the material terms of the Underwriting Agreement.</p> <p>The Underwriter has also entered into sub-underwriting agreements with various related and non-related parties to sub-underwrite the Entitlement Offer up to 216,666,667 New Shares, representing a sub-underwritten amount of \$325,000:</p> <ul style="list-style-type: none"> ▪ Director James Kellett, through his associated entity Furneaux, has agreed to sub-underwrite the Entitlement Offer up to \$100,000 (being up to 66,666,667 Shortfall Shares), to be offset against part of the Furneaux Loan. ▪ Director Jeffrey Bennett, through his associated entity Hixon, has agreed to sub-underwrite the Entitlement Offer up to \$50,000 (being up to 33,333,333 Shortfall Shares). 	Sections 2.8, 2.9, 7.2, 7.3 and 7.4

Topic	Summary	Further information
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- Director Franklin Lieberman has agreed to sub-underwrite the Entitlement Offer up to \$40,000 (being up to 26,666,667 Shortfall Shares).
- The Underwriter has also entered into sub-underwriting agreements with other non-related parties of the Company to sub-underwrite the Entitlement Offer up to a maximum of 90,000,000 New Shares, representing a maximum sub-underwritten amount of \$135,000.

The Underwriter will not receive a fee for underwriting the Entitlement Offer. No fee for sub-underwriting the Entitlement Offer will be payable to any sub-underwriter (including the Directors or their respective associated entities).

How will Shortfall be allocated?

Any Shortfall Shares will be allocated by the Company based on the following priority:

Section 2.6

- first, to existing Eligible Shareholders who apply for Shortfall Shares through the Shortfall Offer; and
- then, to the sub-underwriters and the Underwriter in accordance with the Underwriting Agreement (refer to Sections 2.8, 2.9, 7.2, 7.3 and 7.4 for further details).

Shortfall Shares allocated to the Underwriter will be issued in accordance with the Underwriting Agreement and, in any event, within 15 Business Days after the Closing Date in accordance with the Listing Rules.

Eligible Shareholders may apply for Shortfall Shares by completing the relevant section of their Entitlement and Acceptance Form. There is no guarantee that Eligible Shareholders will be allocated any Shortfall Shares under the Shortfall Offer.

What are key risks associated with an investment in the Company?

What are key risks associated with an investment in the Company?

Some of the key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are detailed in Section 5.

Section 5

In undertaking its business activities, the Company will be exposed to risks, which include, but are not limited to:

Going concern risk: The Company notes the material uncertainty related to going concern in the auditor’s report to the members regarding the Company’s financial statements for the year ended 30 June 2024 in the 2024 Annual Report. Specifically, the auditor draws attention to note 3 to those financial statements, which indicates that the Group incurred a net loss of \$2,220,466 for the year ended 30 June 2024, and that, as of that date, the Group’s current liabilities exceeded its current assets by \$3,704,797, and details the matters the directors have considered in their assessment that the going concern basis of preparation of the financial report is appropriate. As stated in note 3 to those financial statements, these events or conditions, along with other matters detailed in the note, indicate the existence of material uncertainty. If these events or conditions are not

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completed, and within the timeframes forecast, whether the Group is able to continue as a going concern, and therefore realise its assets and settle its liabilities in the ordinary course of business is uncertain. There is therefore the risk that Company may need to source additional funding to continue as a going concern and pay its debts as and when they are due. To the extent that funding is equity or equity type funding it may be dilutive, or on onerous terms, if available at all. In addition, any debt funding would increase the Company's debt levels, increase its funding costs and adversely impact the Company's financial results, again if available. If the Company is unable to obtain such additional funding, it may not be able to meet its future obligations as and when they fall due.

The Company's annual financial report for the full year ended 30 June 2024 was lodged by the Company on 1 October 2024 (**FY24 Report**), in respect of which the Company's auditors expressed an unmodified audit opinion (with an emphasis of matter on material uncertainty related to going concern).

- **Suspension risk:** On 7 March 2024, the Company's Shares were placed into suspension from quotation under Listing Rule 17.3, pending compliance with Listing Rule 19.11A(b) in relation to the disclaimer conclusion of the independent auditor in its review of the Company's reviewed half year financial report for the six months ending 31 December 2023 (**HY24 Report**). The Company had issued the HY24 Report on 29 February 2024. The Company's auditors did not express a conclusion on the HY24 Report due to being unable to obtain sufficient and appropriate review evidence as to whether the Company group may be able to obtain sufficient funding in order to continue as a going concern within twelve months of the date of that review conclusion (being 29 February 2024). Since 29 February 2024, the Company has undertaken a number of initiatives to strengthen the Company's balance sheet, including by completing the Placement (including the Placement Oversubscriptions), making the Offers and restructuring debt. Upon successful completion of the Offers and other such initiatives, the Company intends to consult with ASX to seek a lifting of the suspension. Notwithstanding this, there is a risk that the securities of the Company will not be reinstated to official quotation on the ASX in the short term, if at all. If the securities of the Company remain suspended for an extended period of time, there is also the risk that ASX could delist the Company from the official list of the ASX.
- **Effect of Entitlement Offer on control:** The Underwriter has committed to accept all of his Entitlements under the Entitlement Offer and to fully underwrite the Offer. Following the Entitlement Offer, the Underwriter's Voting Power will increase to the extent that other Shareholders do not participate in the Entitlement Offer. The Underwriter may increase its holding by relying on the exception contained in item 13 of Section 611 of the Corporations Act. The effect of the Entitlement Offer on the control of the Company will depend on a number of factors including the level of Eligible Shareholder participation; which Eligible Shareholders

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participate; and the level of dispersion via the oversubscription facility which enables Eligible Shareholders who have subscribed with valid Applications for their full Entitlement, to apply for additional Shortfall Shares (see Section 2.6).

- **Customer retention and revenue growth:** Continued growth in sales and profitability of the Company depends on a number of factors, including attracting new customers on a sufficiently profitable basis, and retaining and increasing revenue from existing customers. Customer revenue growth is particularly dependent upon the provision of consistently high-quality customer service and continued satisfaction of sales objectives. In addition, the Company's success is heavily reliant on its positive reputation, and particularly its customer satisfaction, in relation to its KneoWorld education platform. The occurrence of any unforeseen issue or event which impacts the performance of the Company's services may result in a diminution of customer satisfaction and loyalty and place the reputation of the Company at risk. If these risks were to arise there may be an adverse impact on the financial performance of the Company.
- **Competition:** The online education industry is rapidly evolving providing the Company with excellent growth opportunities however it may face potential loss of its competitive or market position as a result of potential product innovation by existing competitors or new entrants to the market, which the Company may not anticipate or respond to with sufficient speed to maintain its market position.
- **Changes in technology:** The Company operates in a SaaS industry in which technology is evolving rapidly with the introduction of new technologies, products and innovations. Customer behaviours, preferences and trends may change upon the onset of new methods of communication and digital platforms. The Company must continue to evolve and adapt its method of service offerings to maintain its competitive position. There is a risk that the Company will not be able to introduce new and superior products and services at the rate seen by other competitors in the market generally. The Company's ability to do so is constrained by factors including its available capacity, resources and capital to invest in product development, innovation and design. This may adversely impact the Company's financial performance.
- **Infrastructure and technology failure:** The Company's business is heavily dependent on the efficient and reliable provision of third party information communication technologies and systems for the delivery of its products and services. Should these systems not be adequately maintained, secured and updated, or the Company's business continuity and disaster recovery processes not be adequate, system failures may negatively impact the Company's operations.
- **Cyber and security:** The Company retains a significant amount of sensitive customer and third-party information. Customers have high expectations regarding the protection of their information. Additionally, the legal and regulatory

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Summary

Further information

environment surrounding information security and privacy is increasingly complex and demanding. Failures or breaches of data protection systems can result in reputational damage, regulatory impositions and financial loss, including claims for compensation by customers or penalties by Departments of Education, regulators or other authorities. As a technology business, the Company's business may be adversely affected by technological disruptions, including through impacts of malicious third-party applications or other form of cyber-attack on the Company that could result in failures and interfere with its systems, products and platforms. It is possible that the measures taken by the Company will not prevent unauthorised access to its systems and technologies, risking third party access to confidential or otherwise sensitive data. If, as a consequence, the Company is unable to provide services to its customers, it may experience loss of market share, damage to reputation and brand, customer compensation claims, increased costs and regulatory action.

- **Compliance:** The Company operates in an industry subject to compliance risk. The Company relies on its own and third parties' compliance essential for it to operate its business. A compliance breach by any of these parties could have a material adverse effect on its business, financial condition and results or operations of the Company.
- **Availability of infrastructure and equipment:** The Company is dependent upon third party suppliers for IT and network infrastructure services and equipment. Any service failures or supply chain delays in supplying equipment may have a significant impact on the Company's ability to adequately service its customers. This could impact the Company's market share, revenue and profitability.
- **Equity and debt market:** The Company's ability to service its existing equity or debt requirements depends upon its financial performance and cash flows which to some extent, are subject to general economic, financial, regulatory and other factors beyond the control of the Company. If the Company is unable to generate sufficient cash flows to meet its obligations, it may in the future require additional debt or equity capital in order to fund growth strategies, including for acquisition opportunities that may arise from time to time. There is a risk that the Company may be unable to access debt or equity funding from the capital markets when required on favourable terms, or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

Further information

How can I obtain further information?

Further information and application instructions for the Offers, as well as the risks associated with investing in the Company are detailed in this Prospectus which you should read carefully and in its entirety.

Section 2.22

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Topic	Summary	Further information
	<p>If you have any questions in respect of the Offers or this Prospectus, please contact the Company Secretary of KneoMedia at Eryl.Baron@boardroomlimited.com.au.</p> <p>For other questions, you should consult your broker, lawyer, accountant, financial adviser, or other professional adviser.</p>	

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2. Details of the Offers

2.1 Entitlement Offer

The Entitlement Offer is a non-renounceable pro rata entitlement issue of 3.5 New Shares for every 10 Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.0015 per New Share to raise up to approximately \$1.25 million (before costs) (**Entitlement Offer**).

Under this Prospectus, Eligible Shareholders, being Shareholders on the Record Date with a registered address in Australia or New Zealand, are eligible to participate in the Entitlement Offer.

The Entitlement Offer is non-renounceable, meaning that Entitlements cannot be traded on ASX, nor can they be sold, transferred or otherwise disposed of.

At the date of this Prospectus, the Company has on issue:

Security	Number
Shares	2,371,464,759 ¹
Options	923,000,000 ²
Performance Rights	26,022,360 ³
Convertible Notes	18 ⁴

Notes:

- Includes Placement Shares.
- Options comprising of existing:
 - 86,000,000 Options exercisable at \$0.025 per Option and expiring on 31 December 2024;
 - 40,000,000 Options exercisable at \$0.04 per Option and expiring on 30 September 2026;
 - 15,000,000 Options exercisable at \$0.025 per Option and expiring on 30 November 2026;
 - 15,000,000 Options exercisable at \$0.05 per Option and expiring on 30 November 2026; and
 - 767,000,000 Options exercisable at \$0.0025 per Option and expiring on 31 December 2026.
- Performance Rights comprise 26,022,360 Performance Rights issued on 30 November 2022 to key management personnel of the Company in accordance with the Company's long-term incentive plan.
- Convertible Notes comprising of 18 Convertible Notes on issue in the Company with an aggregate face value of \$450,000.

Assuming no Convertible Securities convert or are exercised into Shares before the Record Date, up to 830,012,666 New Shares may be issued under the Entitlement Offer (subject to rounding of fractional entitlements). Where the determination of the Entitlement of any Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

All of the New Shares will rank equally with the Shares on issue at the date of this Prospectus. Refer to Section 6.1 for a summary of the rights attaching to New Shares.

2.2 Purpose of the Prospectus

The purpose of this Prospectus is to:

- make the Offers;
- ensure that the on-sale of the Placement Shares after the date of this Prospectus does not breach section 707(3) of the Corporations Act in accordance with the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

2.3 No rights trading

The rights to New Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your rights to subscribe for New Shares under the Entitlement Offer to any other party. If you do not take up your Entitlement to New Shares under the Entitlement Offer by the Closing Date, your Entitlement will lapse.

2.4 Reasons for the Offers and funding allocation

The purpose of the Offers is to raise approximately \$1.25 million (before costs, assuming that prior to the Record Date, no Convertible Securities are converted or exercised into Shares).

The Company intends to apply the funds raised from the Offers as follows:

Description	\$
Further technical advancement of the Company's KneoScience and KneoWorld platforms	500,000
General working capital expenditure ¹	578,019
Retirement of debt ²	100,000
Estimated costs of the Offers	67,000
TOTAL	1,245,019

Notes:

1. Working capital includes the normal general and administrative costs associated with running a public company, including, but not limited to, salaries, consulting fees, and Director fees (including payment of accrued and unpaid fees), legal fees, rental of office premises, investor relations and finance and accounting fees among other working capital requirements.
2. Retirement of part of Furneaux Loan by way of Furneaux sub-underwriting the Offer to \$100,000. See Section 7.4 for further information.

The above table is a statement of the Board's current intentions as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

2.5 Minimum subscription

There is no minimum subscription for the Entitlement Offer.

2.6 Shortfall allocation policy and Shortfall Offer

Any New Shares offered under the Entitlement Offer that are not applied for by the Closing Date will form the Shortfall Shares. The offer to issue Shortfall Shares is a separate offer under this Prospectus (**Shortfall Offer**).

Under this Prospectus, the Company offers to issue the Shortfall Shares to investors at the same price of \$0.0015 per New Share as that offered under the Entitlement Offer. The Shortfall Shares will have the same rights as the New Shares as detailed in Section 6.1.

Eligible Shareholders may apply for Shortfall Shares by completing the relevant section of their Entitlement and Acceptance Form (refer to Section 4 for further details). Other investors may also apply for Shortfall Shares by completing the Shortfall Offer Application Form upon invitation from the Company (refer to Section 2.11(b) for further details).

The Shortfall will be allocated in the following priority:

- For personal use only
- (a) firstly, Eligible Shareholders (other than related parties of the Company) who have subscribed with valid Applications for their full Entitlement of New Shares under the Entitlement Offer and have applied for Shortfall Shares will be allocated Shortfall, provided that no Eligible Shareholder will increase their voting power in the Company above 20% through the allocation of the Shortfall Shares. In the event it is necessary to scale back applications for Shortfall Shares by Eligible Shareholders, then the scale back will be at the discretion of the Directors and, in the first instance, on a pro rata basis, based on the Entitlements of Eligible Shareholders; and
 - (b) then, the remaining Shortfall Shares (if any) will be allocated to the sub-underwriters and the Underwriter in accordance with the Underwriting Agreement and the sub-underwriting agreements (refer to Sections 2.8, 2.9, 7.2, 7.3 and 7.4 for further details).

The Shortfall allocation policy has been structured to allow each Eligible Shareholder to participate in priority to the Underwriter and any other investors to try to reduce the number of Shortfall Shares that may be issued to the Underwriter or other third parties.

The Company reserves the right to issue, at its sole discretion, to an Eligible Shareholder who has applied for Shortfall Shares a lesser number of Shortfall Shares than the number applied for (or no Shortfall Shares), issue part or all of the Shortfall Shares to new investors, reject an application or not proceed with the issuing of the Shortfall Shares or part thereof.

The Directors reserve the right to issue the Shortfall Shares at their discretion and to pay fees to stockbrokers and others as part of that issue, at the Directors' discretion.

In accordance with the Listing Rules, the Shortfall Shares allocated pursuant to the allocation policy detailed above will be issued within 15 Business Days of the Closing Date for the Entitlement Offer. If there are remaining Shortfall Shares due to a default under or termination of the Underwriting Agreement, the Company reserves the right to proceed to allocate the New Shares under the Entitlement Offer and to issue the remaining Shortfall Shares within three months after the Closing Date of the Entitlement Offer at its absolute discretion.

The Directors will seek to ensure that no person (other than the Underwriter, to the extent the Underwriter is issued Shortfall Shares pursuant to the Underwriting Agreement) will be issued Shortfall Shares if such issue will result in that person's Voting Power in the Company exceeding 20% or increasing at all, if they already hold voting power in the Company above 20%.

2.7 Opening and closing dates

The Company will accept Entitlement and Acceptance Forms in respect of the Entitlement Offer from Eligible Shareholders from the Opening Date until 5.00pm (AEDT) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

Payment made by BPAY® (or EFT for New Zealand Shareholders) must be received no later than 5.00pm (AEDT time) on the Closing Date. It is the responsibility of all Eligible Shareholders to ensure that their BPAY® (or EFT for New Zealand Shareholders) payments are received by the Company on or before the Closing Date.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the closing dates of the Offers without prior notice. If a closing date is varied, subsequent dates may also be varied accordingly.

2.8 Underwriting

The Entitlement Offer is fully underwritten by the Underwriter, Mr Antanas Guoga.

The Underwriter is a substantial holder in the Company, and as at the date of this Prospectus, holds a Voting Power in the Company of 8.46% of the Shares.

Refer to Section 7.6 for details of the substantial holdings in the Company as at the date of this Prospectus and Section 3.3 on the effect of the Offers on control of the Company.

The material terms of the Underwriting Agreement are set out in Section 7.2.

2.9 Sub-underwriting

The Underwriter has entered into separate sub-underwriting agreements with various related and non-related parties (who are sophisticated investors) to sub-underwrite the Entitlement Offer up to 216,666,667 New Shares, representing a sub-underwritten amount of \$325,000. The sub-underwriting agreements are described in Section 7.3.

- (a) Director James Kellett, through his associated entity Furneaux, has agreed to sub-underwrite the Entitlement Offer up to \$100,000 (being up to 66,666,667 Shortfall Shares), to be offset against part of the Furneaux Loan.
- (b) Director Jeffrey Bennett, through his associated entity Hixon, has agreed to sub-underwrite the Entitlement Offer up to \$50,000 (being up to 33,333,333 Shortfall Shares).
- (c) Director Franklin Lieberman has agreed to sub-underwrite the Entitlement Offer up to \$40,000 (being up to 26,666,667 Shortfall Shares).
- (d) The Underwriter has also entered into sub-underwriting agreements with other non-related parties of the Company to sub-underwrite the Entitlement Offer up to a maximum of 90,000,000 New Shares, representing a maximum sub-underwritten amount of \$135,000.

The Underwriter will not receive a fee for underwriting the Entitlement Offer. No fee for sub-underwriting the Entitlement Offer will be payable to any sub-underwriter (including the Directors or their respective associated entities).

The significant events that could lead to the sub-underwriting agreements being terminated are as follows:

- (e) if the Entitlement Offer does not proceed or any part of it is withdrawn by the Company;
- (f) if the Underwriting Agreement is terminated in accordance with its terms or the Underwriting Agreement otherwise ceases, including as a result of a condition not being satisfied for any reason and the Underwriter does not waive such non satisfaction;
- (g) the sub-underwriter's right to participate in the sub-underwriting under their sub-underwriting agreement lapses for any reason; or
- (h) the sub-underwriter breaches their sub-underwriting agreement and the Underwriter gives the sub-underwriter a notice of the termination of that agreement.

New Shares will be issued to the sub-underwriters (including Furneaux, Hixon and Mr Lieberman) in accordance with the sub-underwriting agreements and, in any event, within 15 Business Days after the Closing Date in accordance with the Listing Rules.

2.10 Risks of the Offers

As with any securities investment, there are risks associated with investing in the Company. However, having regard to the risks applicable to the Company and its business detailed in Section 5, Eligible Shareholders should be aware that an investment in the New Shares should be considered highly speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 5),

and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

2.11 Application Forms

(a) Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form, or alternatively, a BPAY® (or EFT for New Zealand Shareholders) payment, by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company.

A personalised Entitlement and Acceptance Form will be issued to the Eligible Shareholders together with a copy of this Prospectus.

Eligible Shareholders can also apply for Shortfall Shares in excess of their Entitlement under the Shortfall Offer by completing the relevant section of their Entitlement and Acceptance Form. There is no guarantee that Eligible Shareholders will be allocated any Shortfall Shares under the Shortfall Offer.

(b) Shortfall Offer Application Form

A Shortfall Offer Application Form will be provided to certain persons wishing to participate in the Shortfall upon invitation from the Company along with a copy of this Prospectus.

If you are in doubt as to the course of action, you should consult your professional adviser.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of New Shares.

If the Application Form is not completed correctly, it may still be treated as valid. The Directors' decision whether to treat a completed Application Form as valid and how to construe, amend or complete the Application Form is final.

2.12 Issues of New Shares

All New Shares under the Entitlement Offer are expected to be issued on or before the date specified in the Indicative Timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

It is intended that the Shortfall Shares will be issued on the same day as New Shares issued under the Entitlement Offer, and at the latest they will be issued within three months after the Closing Date.

2.13 Application Monies held on trust

All Application Monies will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All Application Monies will be returned (without interest) if the New Shares are not issued.

2.14 ASX quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the New Shares offered under this Prospectus. If ASX does not grant Official Quotation of the New Shares within three months after the date of this Prospectus (or such period as the ASX allows), no New Shares will be issued or allotted under the Offers and the Company

will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Securities.

2.15 **Withdrawal**

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

2.16 **Eligible Shareholders**

The Entitlement Offer is made to Eligible Shareholders only.

Eligible Shareholders are those persons who:

- (a) are registered as a holder of Shares as at the Record Date, being 7.00pm (AEDT) on Thursday 7 November 2024;
- (b) have a registered address on the Company share register in Australia or New Zealand, or are, in the opinion of the Company, otherwise eligible to receive an offer of New Shares under the Entitlement Offer; and
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States,

(an **Eligible Shareholder**).

If you are a Shareholder who does not satisfy each of the criteria listed above, you are an **"Ineligible Shareholder"**. The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

Ineligible Shareholders are not entitled to participate in the Entitlement Offer to subscribe for New Shares.

By making a payment by BPAY® (or EFT for New Zealand Shareholders), you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

By receiving this Prospectus, you will be taken to have acknowledged and agreed that determination of eligibility of investors for the purposes of the Offers is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and the Company and each of its affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

2.17 **CHES**

The Company participates in the Clearing House Electronic Subregister System, known as CHES. ASX Settlement, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and the ASX Settlement Rules.

Under CHES, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHES statement.

The CHESSE statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESSE statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

2.18 Foreign jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus. The Entitlement Offer and Shortfall Offer are not being extended, and New Shares will not be issued, to Shareholders with a registered address which is outside Australia or New Zealand.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of New Shares to existing Shareholders in any jurisdiction other than Australia and New Zealand. The distribution of this Prospectus in jurisdictions outside those jurisdictions is restricted by law and persons outside of those jurisdictions should observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

This Prospectus and the accompanying Application Forms do not constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside of Australia except to the extent permitted below:

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the mutual recognition regime established under subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

Investors in New Zealand should refer to the warning statement on page 1 under 'Important information for New Zealand investors'.

2.19 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Securities.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. Applicants should consult their own professional tax adviser to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

2.20 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2024 is contained in the 2024 Annual Report which is available on the Company's website at www.kneomedia.com.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its 2024 Annual Report with ASX on 1 October 2024 are detailed in Section 7.2.

Copies of these documents are available free of charge from the Company or the Company's website: www.kneomedia.com. Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in an Offer.

2.21 Privacy

The Company collects information about each Applicant from the Application Forms for the purpose of processing the Application and, if the Applicant is successful, for the purposes of administering the Applicant's security holding in the Company. By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement. The Company and the Share Registry may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act:

- (a) the Share Registry for ongoing administration of the Company's register;
- (b) the Company's related bodies corporate, agents, contractors and third-party service providers, as well as to ASX, ASIC and other regulatory authorities (including the Australian Taxation Office); and
- (c) the printers and the mailing house for the purposes of preparing and distributing holding statements and for the handling of mail.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the Company's register of the relevant security even if that person ceases to be a security holder in the Company. Information contained in the Company's register of Shareholders is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

Under the Privacy Act, a person may request access to their personal information held by (or on behalf of) the Company or the Share Registry. An Applicant can request access to their personal information by writing to the Company through the Share Registry.

2.22 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary, Eryl Baron at Eryl.Baron@boardroomlimited.com.au. For other questions, you should consult your broker, lawyer, accountant, financial adviser, or other professional adviser.

3. Effect of the Offers

3.1 Capital structure on completion of the Offers

On completion of the Offers, the Company's capital structure will be as follows (subject to rounding of fractional entitlements):

	Number of Shares	Number of Options	Number of Convertible Notes	Number of Performance Rights
Existing securities on issue as at the date of this Prospectus	2,371,464,759 ¹	923,000,000 ²	18 ³	26,022,360 ⁴
Entitlement Offer and Shortfall Offer	830,012,666 ⁴	-	-	-
TOTAL⁵	3,201,477,425	923,000,000	18	26,022,360

Notes:

1. Includes the Placement Shares.
2. Options comprising of:
 - a. 86,000,000 Options exercisable at \$0.025 per Option and expiring on 31 December 2024;
 - b. 40,000,000 Options exercisable at \$0.04 per Option and expiring on 30 September 2026;
 - c. 15,000,000 Options exercisable at \$0.025 per Option and expiring on 30 November 2026;
 - d. 15,000,000 Options exercisable at \$0.05 per Option and expiring on 30 November 2026; and
 - e. 767,000,000 Options exercisable at \$0.0025 per Option and expiring on 31 December 2026.
3. Convertible Notes comprising of 18 Convertible Notes on issue in the Company with an aggregate face value of \$450,000.
4. Performance Rights comprise 26,022,360 Performance Rights issued on 30 November 2022 to key management personnel of the Company in accordance with the Company's long-term incentive plan.
5. The New Shares issued under the Offers will represent approximately 26% of the enlarged issued share capital of the Company following the Offers.
6. Assuming no Convertible Securities convert or are exercised into Shares before the Record Date.

3.2 Convertible Security holders

Holders of Convertible Securities will not be able to participate in the Entitlement Offer unless:

- (a) those Convertible Securities convert or are exercised into Shares in accordance with their terms, so they are registered as holders of Shares prior to the Record Date; or
- (b) they otherwise participate in the Entitlement Offer as a result of being a holder of Shares registered on the Share register of the Company at the Record Date.

3.3 Effect of the Offers on control of the Company

The potential effect that the Entitlement Offer will have on the control of the Company and the consequences of that effect will depend on a number of factors, such as investor demand, existing shareholdings and the extent to which Shortfall Shares are available and ultimately taken up by the Underwriter pursuant to the Underwriting Agreement (in accordance with the shortfall allocation policy detailed in Section 2.6).

No Securities will be issued to any person pursuant to this Prospectus if, in the view of the Directors, to do so would increase that person's Voting Power in the Company above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

It is a general rule under section 606 of the Corporations Act that a person cannot acquire a relevant interest in issued voting shares in a company if, because of the transaction in relation to securities, a person's Voting Power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

However, exceptions to section 606 of the Corporations Act exist where an increase in a person's Voting Power occurs as a result of an underwriter or sub-underwriter being issued securities pursuant to a prospectus (under item 13 of section 611 of the Corporations Act).

The Company has not appointed a nominee in respect of the Entitlements of Ineligible Shareholders pursuant to section 615 of the Corporations Act. Accordingly, the exemption to the 20% takeovers threshold under item 10 of section 611 of the Corporations Act is not available to Shareholders taking up their Entitlement under the Entitlement Offer.

The Company will manage the Offers, such that no person (other than the Underwriter, to the extent the Underwriter is issued Shortfall Shares pursuant to the Underwriting Agreement) will obtain a relevant interest in Shares of 20% or more. No New Shares will be issued to any Applicant pursuant to this Prospectus if, in the view of the Directors, to do so would increase that Applicant's Voting Power in the Company above 20% in breach of the Corporations Act or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

Following the Entitlement Offer and upon completion of the underwriting pursuant to the Underwriting Agreement, the Voting Power of the Underwriter may rise from the level of 8.46% as at the date of this Prospectus to a maximum of 32.20%. The Underwriter may increase its voting power to this extent by relying on the exception contained in item 13 of section 611 of the Corporations Act.

The Underwriter has also agreed with the Company that the Underwriter will:

- (a) take up all his Entitlements under the Entitlement Offer; and
- (b) use best endeavours to allocate the Shortfall Shares to sub-underwriters such that neither the Underwriter nor any of its sub-underwriters will individually have a Voting Power in the Company in excess of 15% of the Shares.

The following tables show the indicative number of Shares to be held by, and the approximate indicative Voting Power in the Company of, the Underwriter upon completion of the Entitlement Offer and the underwriting, under certain pro forma scenarios:

- (a) Entitlement Offer is fully subscribed:

Shareholder	At the date of this Prospectus		If the Entitlement Offer is fully subscribed	
	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)
Antanas Guoga	200,710,126	8.46%	270,958,670	8.46%

Note: Assuming 830,012,666 New Shares are offered and issued pursuant to the Entitlement Offer. The Voting Power of Antanas Guoga (who is the Underwriter) is subject to changes resulting from Ineligible Shareholders being unable to participate in the Entitlement Offer and the actual number of Shares offered and issued under the Entitlement Offer. Also assumes that the Underwriter takes up his Entitlements in full in accordance with the Underwriting Agreement.

- (b) Entitlement Offer is not fully subscribed and no Shortfall Shares are taken up except for by the Underwriter pursuant to the Underwriting Agreement:

Shareholder	A: If 75% acceptance of Entitlements (including Underwriter's Entitlements)		B: If 50% acceptance of Entitlements (including Underwriter's Entitlements)		C: If 0% acceptance of Entitlements (excluding Underwriter's Entitlements)	
	No. of Shares	Voting Power (%)	No. of Shares	Voting Power (%)	No. of Shares	Voting Power (%)
Antanas Guoga	478,461,837	14.95%	685,965,003	21.43%	1,030,722,792	32.20%

Notes:

1. As outlined in Section 2.9, the Underwriter has entered into sub-underwriting agreements described in Section 7.3 for a portion of its underwriting commitment. **As such, the Underwriter would only acquire the Voting Power outlined in the table above if those sub-underwriting commitments did not proceed for any reason and the Underwriter was required to subscribe for the relevant New Shares in accordance with its underwriting commitment under the Underwriting Agreement.**
2. Assuming 830,012,666 New Shares are offered pursuant to the Entitlement Offer. The Voting Power of Antanas Guoga (who is the Underwriter) is subject to changes resulting from Ineligible Shareholders being unable to participate in the Entitlement Offer and the actual number of Shares offered under the Entitlement Offer.
3. When calculating the total percentage of Entitlements assumed to be accepted in Column A (75% acceptance) and Column B (50% acceptance) of the table, the Company has assumed that the Underwriter takes up its Entitlements in full in accordance with the Underwriting Agreement. Column C (0% acceptance) assumes that the Underwriter is the only shareholder to accept its Entitlements (and that the Underwriter does so in full).

- (c) Entitlement Offer is not fully subscribed and no Shortfall Shares are taken up except for by the Underwriter pursuant to the Underwriting Agreement, **and** the sub-underwriters pursuant to the sub-underwriting agreements (noting that as at the date of this Prospectus, the Underwriter has entered into sub-underwriting agreements for a total aggregate of 216,666,667 New Shares, representing a sub-underwritten amount of \$325,000):

Shareholder	A: If 75% acceptance of Entitlements (including Underwriter's Entitlements)		B: If 50% acceptance of Entitlements (including Underwriter's Entitlements)		C: If 0% acceptance of Entitlements (excluding Underwriter's Entitlements)	
	No. of Shares	Voting Power (%)	No. of Shares	Voting Power (%)	No. of Shares	Voting Power (%)
Antanas Guoga	270,958,670	8.46%	469,298,336	14.66%	814,056,125	25.43%

Notes:

1. As the sub-underwriting commitments exceed the shortfall under Column A, Column A assumes that the sub-underwriters will be allocated Shortfall Shares in priority to the Underwriter, and that the only Shares issued to the Underwriter under the Offer will be his full Entitlement.
2. Assuming 830,012,666 New Shares are offered pursuant to the Entitlement Offer. The Voting Power of Antanas Guoga (who is the Underwriter) is subject to changes resulting from Ineligible Shareholders being unable to participate in the Entitlement Offer and the actual number of Shares offered under the Entitlement Offer.
3. When calculating the total percentage of Entitlements assumed to be accepted in Column A (75% acceptance) and Column B (50% acceptance) of the table, the Company has assumed that the Underwriter takes up its Entitlements in full in accordance with the Underwriting Agreement. Column C (0% acceptance) assumes that the Underwriter is the only shareholder to accept its Entitlements (and that the Underwriter does so in full).

Based on the above matters, the potential effect which the issue of New Shares pursuant to the Entitlement Offer (including the Shortfall Shares) will have on the control of the Company is as follows:

- if all Eligible Shareholders take up their entitlements under the Entitlement Offer, the New Shares issued under the Entitlement Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Ineligible Shareholders being unable to participate in the Entitlement Offer;
- in the more likely event that there is a Shortfall in the Entitlement Offer, Eligible Shareholders who do not subscribe for their full Entitlement of New Shares under the Entitlement Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement, and will be diluted by any take up of Shortfall Shares; and
- the Voting Power in the Company held by the Underwriter could increase from the current level of 8.46%, to up to a maximum of 32.20% (assuming no Eligible Shareholders take up their Entitlements under the Entitlement Offer, assuming no Shortfall Shares are allocated to any sub-underwriters and assuming the Underwriter takes up the maximum number of

830,012,666 New Shares pursuant to the Underwriting Agreement (or alternatively assuming that the only Entitlements taken is the Entitlement of the Underwriter and that the Underwriter fulfils its residual partial underwriting obligations under the Underwriting Agreement)). It is however anticipated by the Company that the Voting Power of the Underwriter as a result of the Offers will be less than the maximum of 32.20%, having regard to the anticipated sub-underwriting arrangements outlined in Section 2.9.

The potential consequences of the effect which the issue of New Shares pursuant to the Entitlement Offer may have on the control of the Company is that there may be an increase in the Underwriter's ability to influence the composition of the Board and the Company's management and strategic direction and to impact the outcome of resolutions of Shareholders. For example, the Underwriter may have the ability to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution) and may have the de facto ability to pass ordinary resolutions of the Shareholders, or to prevent ordinary resolutions from being passed, given that less than 100% of the Shareholders are expected to vote at any general meeting.

Control will ultimately be affected by the level of applications under the Entitlement Offer. The final percentage interests held by Shareholders of the Company are dependent on, among other things, the extent to which Eligible Shareholders take up their Entitlements.

With the exception of the issue of Shortfall Shares to the Underwriter pursuant to the Underwriting Agreement, no Shortfall Shares will be issued to an Eligible Shareholder if, in the view of the Directors, to do so would increase that Eligible Shareholder's voting power in the Company above 20%. Additionally, the Directors reserve the right to refuse to approve a particular issue of Shortfall Shares if such issue would, in the view of the Directors, result in a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

The information in this Section 3.3 is the Company's estimates only, based on the information available to it. Actual outcomes may vary.

3.4 Potential dilution effect

If you do not participate in the Entitlement Offer, your holdings in the Company will be diluted as a result of the Entitlement Offer (compared with your position before the Entitlement Offer), after the issue of New Shares under the Offers.

The following are examples of how any dilution may impact you if you do not participate in the Entitlement Offer, assuming 830,012,666 New Shares are issued pursuant to the Offers:

Example Shareholder	Holdings as at Record Date	% as at Record Date	Entitlements under the Entitlement Offer (subject to rounding)	Holdings if no Entitlements taken up by the Shareholder	% if the maximum number of New Shares are issued pursuant to the Entitlement Offer (subject to rounding) ¹
Shareholder 1	100,000,000	4.22%	35,000,000	100,000,000	3.12%
Shareholder 2	50,000,000	2.11%	17,500,000	50,000,000	1.56%
Shareholder 3	10,000,000	0.42%	3,500,000	10,000,000	0.31%
Shareholder 4	5,000,000	0.21%	1,750,000	5,000,000	0.16%
Shareholder 5	1,000,000	0.04%	350,000	1,000,000	0.03%

Note:

- The dilutionary effect shown in the table assumes that any Entitlements not taken up are dealt with as Shortfall Shares and are placed by the Company or taken up by the Underwriter pursuant to the Underwriting Agreement.

3.5 Pro-forma statement of financial position

Set out on the following pages are:

- (a) the Company's Consolidated Statement of Financial Position as at 30 June 2024 (audited); and
- (b) and the Company's consolidated statement of financial position as at 30 June 2024 which includes material movements in the assets and liabilities of the Company between 1 July 2024 and 31 October 2024, being the completion of the Placement, under which the Company raised \$1.25 million (before costs)

(together, the **Statements**).

The Statements are presented in abbreviated form insofar as they do not include all the disclosures that are present in annual financial reports as required by Australian Accounting Standards. The significant accounting policies that underpin the Statements are the same policies as those outlined in the Company's 2024 Annual Report.

The unaudited Pro-Forma Statement of Financial Position includes the consolidated statement of financial position as at 30 June 2024, with material movements in the assets and liabilities of the Company between 1 July 2024 and the completion of the Entitlement Offer including:

- completion of the Placement, under which the Company raised \$1.25 million (before costs);
- at full subscription of the Entitlement Offer, the issue of 830,012,666 New Shares at \$0.0015 each (subject to rounding and assuming that no Convertible Securities are exercised or converted before the Record Date) with the terms and conditions detailed in this Prospectus to raise approximately \$1.25 million (before associated costs);
- repayment of part of the Furneaux Loan (\$100,000) and other outstanding payables (\$225,000); and
- estimated costs of the Offers of \$67,000.

No allowance has been made for expenditure incurred in the normal course of business from the date of this Prospectus to the Closing Date.

Kneomedia Limited and its controlled entities	Audited	Unaudited material movements in assets and liabilities	Unaudited pro-forma adjustments for Entitlement Offer	Unaudited Pro-forma
Pro-forma balance sheet	30-Jun-24	31-Oct-24	31-Oct-24	31-Oct-24
Financial position	\$	\$	\$	\$
Current Assets				
Cash and cash equivalents	33,181	258,181	853,019	1,111,200
Trade and other receivables	122,640	122,640	-	122,640
Prepayments and other assets	31,809	31,809	-	31,809
Total Current Assets	187,630	412,630	853,019	1,265,649

Non-current Assets				
Property, plant and equipment	2,374	2,374	-	2,374
Intangible assets	1,334,491	1,334,491	-	1,334,491
Other non-current assets	3,381	3,381	-	3,381
Total Non-current Assets	1,340,246	1,340,246	-	1,340,246
Total Assets	1,527,876	1,752,876	853,019	2,605,895
Current Liabilities				
Trade and other payables	1,525,124	1,525,124	225,000	1,300,124
Interest bearing loans and borrowings	941,270	941,270	-	941,270
Issued capital applications	671,389	-	-	-
Deferred revenue	144,831	144,831	-	144,831
Employee benefits	126,063	126,063	-	126,063
Convertible Notes	483,750	483,750	-	483,750
Total Current Liabilities	3,892,427	3,221,038	225,000	2,996,038
Non-current Liabilities				
Interest bearing loans and borrowings	437,326	437,326	100,000	337,326
Deferred revenue	19,555	19,555	-	19,555
Employee benefits	50,770	50,770	-	50,770
Total Non-current Liabilities	507,651	507,651	100,000	407,651
Total Liabilities	4,400,078	3,728,689	325,000	3,403,689
Net Assets / (Deficiency of Net Assets)	-	-	1,178,019	-
2,872,202	1,975,813	1,178,019	797,794	
Equity	\$	\$	\$	\$
Issued capital	29,443,865	30,347,544	1,245,019	31,592,563
Reserves	489,260	489,260	-	489,260
Accumulated losses	-	-	-	-
	28,523,268	28,529,465	56,950	28,586,416
Parent Entity Interest	1,409,857	2,307,340	1,188,069	3,495,408
Non-controlling interest	-	-	-	-
	4,282,058	4,283,152	10,050	4,293,202
Total Equity / (Net Deficiency of Equity)	-	-	1,178,019	-
2,872,201	1,975,812	1,178,019	797,794	

4. Action required by Applicants

4.1 Eligible Shareholders

Eligible Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement with the paper copy of this Prospectus sent to them. Shareholders, who are not Eligible Shareholders, will not receive an Entitlement and Acceptance Form.

Eligible Shareholders' Entitlements to New Shares will be shown on the Entitlement and Acceptance Form accompanying the paper copy of this Prospectus sent to them. Before taking any action in relation to the Entitlement Offer, you should read this Prospectus in its entirety, and seek professional advice from your professional adviser.

You may:

- (a) take up all of your Entitlement to New Shares (see Section 4.2(a), below);
- (b) take up all of your Entitlement to New Shares and apply for Shortfall Shares in excess of your Entitlement (see Section 4.2(b) below);
- (c) take up part of your Entitlement to New Shares and allow the balance to lapse, in which case you will receive no value for those lapsed Entitlements (see Section 4.3 below); or
- (d) do nothing and allow all of your Entitlement to New Shares to lapse, in which case you will receive no value for those lapsed Entitlements (see Section 4.5 below).

Eligible Shareholders who do not participate in the Entitlement Offer, or participate for an amount that is less than their full Entitlement, will have their percentage Shareholding in the Company reduced or diluted.

Please note that the allocation and issue of the Shortfall Shares is subject to the Board's discretion in relation to the allocation of the Shortfall. There is no guarantee that Eligible Shareholders will be allocated any Shortfall Shares.

Please also note that if you are an Eligible Shareholder who is a 'related party' in relation to the Company (as that term is defined in the ASX Listing Rules) or are otherwise a person to whom ASX Listing Rule 10.11 applies, you may apply to take up your Entitlement in part or in full, but may not apply for Shortfall Shares.

4.2 If you wish to take up all of your Entitlement to New Shares (with or without Shortfall Shares)

If you wish to:

- (a) accept your Entitlement in full (without taking up Shortfall Shares), you should note your Entitlement and requisite Application amount specified in the Entitlement and Acceptance Form, and make a payment by BPAY® for the total Application Money in accordance with the instructions contained in this Prospectus and detailed on the Entitlement and Acceptance Form (calculated at \$0.0015 per New Share accepted under the Entitlement Offer). New Zealand based Shareholders will not be able to pay via BPAY® and will instead need to make payment via EFT. New Zealand based Shareholders should follow the instructions on their personalised Entitlement and Acceptance Form. Please read the instructions carefully.
- (b) accept your Entitlement in full and apply for New Shares in excess of your Entitlement by applying for Shortfall Shares, you should note your Entitlement and requisite Application Amount specified in the Entitlement and Acceptance Form, and make a payment by BPAY® (or as specified for New Zealand based Shareholders) for the total Application Money in accordance with the instructions contained in this Prospectus and detailed on the Entitlement and Acceptance Form. This payment should be inclusive of the New

Shares you wish to accept under your Entitlement as well as those you wish to apply for under the Shortfall Offer (calculated at \$0.0015 per New Share accepted under the Entitlement Offer and applied for under the Shortfall Offer).

The Company will not allocate or issue New Shares or Shortfall Shares where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Shareholders wishing to apply for Shortfall Shares must consider whether or not the issue of the Shortfall Shares to them would breach the Corporations Act or Listing Rules, having regard to their own circumstances.

4.3 If you wish to take up part of your Entitlement to New Shares and allow the balance to lapse

If you wish to accept part of your Entitlement and allow the balance to lapse, you should note your Entitlement and requisite Application amount specified in the Entitlement and Acceptance Form, and make a payment by BPAY® for the total Application Money relating to the portion of New Shares you do wish to apply for in accordance with the instructions contained in this Prospectus and detailed on the Entitlement and Acceptance Form (calculated at \$0.0015 per New Share accepted under the Entitlement Offer). New Zealand based Shareholders will not be able to pay via BPAY® and will instead need to make payment via EFT. New Zealand based Shareholders should follow the instructions on their personalised Entitlement and Acceptance Form. Please read the instructions carefully.

You will not receive any value for the Entitlements you choose not to take up and they will lapse worthless.

4.4 Payment by BPAY® or EFT

Australian based Shareholders may only pay via BPAY®. New Zealand based Shareholders will not be able to pay via BPAY® and will instead need to make payment via EFT. New Zealand based Shareholders should follow the instructions on their personalised Entitlement and Acceptance Form.

Eligible Shareholders should note:

- (a) You should make your payment in respect of your Application Money via BPAY® (or via EFT payment as directed for New Zealand Shareholders) for the number of New Shares you wish to subscribe for (being the \$0.0015 multiplied by the number of New Shares you are applying for, including any Shortfall Shares). Please follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number).
- (b) Your BPAY® payment (or EFT payment for New Zealand based Shareholders) must be received by no later than 5:00pm (AEDT) on the Closing Date. Applicants should be aware that their own financial institution may impose earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® (or via EFT for New Zealand based Shareholders) are received by this time.
- (c) You do not need to submit your Entitlement and Acceptance Form but, by making a payment through BPAY® (or via EFT for New Zealand based Shareholders), you will be taken to have applied for the New Shares (and any Shortfall Shares) and made the declarations set out in the Entitlement and Acceptance Form.

For those paying by:

- (a) BPAY®, please make sure to use the specific Biller Code and unique Reference Number on your personalised Entitlement and Acceptance Form; and
- (b) EFT, please make sure to use the specific Reference Number on your personalised Entitlement and Acceptance Form.

Eligible Shareholders may not pay via cheque and must not forward cash by mail. Receipts for payment will not be issued.

If you have more than one holding of Shares you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Reference Number specific to the Entitlement on that form. If you inadvertently use the same Reference Number for more than one of your Entitlements, you will be deemed to have applied only for your Entitlements to which that Reference Number applies.

If the amount of your BPAY® or EFT payment for Application Money is insufficient to pay in full for the number of New Shares (and any Shortfall Shares) you have applied for, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Money will pay for. Alternatively, your Application may be rejected (at the discretion of the Company).

The Company will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale back it may determine to implement, in its absolute discretion, in respect of any Shortfall Shares. Amounts received in excess of the Application Money for your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Shortfall Shares as your Excess Amount will pay for in full.

Any Application Money received by the Company in excess of your final allocation of New Shares (and Shortfall Shares as the case may be) will be refunded by cheque to your registered address as noted on the Company's share register as soon as practicable after the close of the Entitlement Offer. It is not practical to refund any amount of less than \$2.00 to Shareholders and any refunds owing for less than this amount will be retained by the Company. No interest will be paid to Applicants on any Application Money received or refunded.

If you take no action or your fail to take any action prior to the Closing Date, your Entitlement under the Entitlement Offer will lapse worthless and you will not receive any value for those Entitlements.

4.5 Entitlement to New Shares not taken up

If you decide not to take up all or any part of your Entitlement to New Shares, do not take any further action and your Entitlement will lapse worthless and you will not receive any value for those Entitlements. In this instance, the New Shares to which you would have been entitled to subscribe for shall become Shortfall Shares and will be issued pursuant to the Shortfall Offer. You will receive no payment for your lapsed Entitlements. You cannot sell or transfer your Entitlements to another person. Your holding of Shares will be diluted because the issue of New Shares will increase the total number of Shares on issue.

4.6 Application for Shortfall Shares under the Shortfall Offer upon invitation

If you are not a Shareholder and, upon invitation by the Company, wish to apply for Shortfall Shares under the Shortfall Offer, please pay your Application Monies via BPAY® by following the instructions referred to in this Prospectus and on the Shortfall Offer Application Form, including the number of Shortfall Shares you wish to apply for under the Shortfall Offer and the total Application Monies (calculated at \$0.0015 per Shortfall Share applied for under the Shortfall Offer). Please read the instructions carefully.

Please pay your Application Monies via BPAY® to the Share Registry so that it is received by the Share Registry in accordance with the instructions on the Shortfall Offer Application Form.

4.7 Representations by Applicants

Payment made through BPAY® or EFT, constitutes a binding and irrevocable offer to apply for New Shares (including any Shortfall Shares) on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn.

Your application will be considered to be for as many New Shares as your payment will cover.

By submitting an Application Form or by making payment by BPAY® or EFT, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) if participating in the Entitlement Offer, you are an Eligible Shareholder and that the Entitlement Offer can be made to you in accordance with this Prospectus, in accordance with applicable securities laws;
- (b) you have read and understood this Prospectus and your Application Form in their entirety and provide the authorisations contained in this Prospectus and Application Form;
- (c) you agree to be bound by the terms of the Offer for which you are applying under and the provisions of the Prospectus and the Company's constitution;
- (d) you declare that you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Application Form;
- (e) all details and statements in the Application Form are complete and accurate;
- (f) you authorise the Company to register you as the holder of New Shares issued to you;
- (g) once the Company (or the Share Registry) receives the Application Form or any payment of Application Money via BPAY® or EFT, you may not withdraw it except as allowed by law;
- (h) you agree to apply for the number of New Shares (including any Shortfall Shares) specified in the Application Form, or for which you have submitted payment of any Application Money via BPAY® or EFT, at \$0.0015 per New Share;
- (i) you agree to be issued the number of New Shares (including any Shortfall Shares) that you apply for in the Application Form and that potentially (in the case of an application in excess of your Entitlement) a lesser number of Shortfall Shares may be issued to you than that applied for;
- (j) if you apply for Shortfall Shares, you declare that you are not a 'related party' (as that term is defined in the ASX Listing Rules) or a person to whom Listing Rule 10.11 applies;
- (k) you authorise the Company, the Share Registry and their respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (l) you authorise the Company to correct any errors in your Application Form or other form provided by you;
- (m) if participating in the Entitlement Offer, you declare that you were the current registered holder(s) on the Record Date of that number of Shares as indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- (n) if participating in the Entitlement Offer, you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you acknowledge that the information contained in this Prospectus and the Application Form is not investment advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and that this Prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;

- (p) you acknowledge the statement of risks in the Risk Factors detailed in Section 5 of this Prospectus, and that investments in the Company are subject to investment risk;
- (q) you acknowledge that none of the Company and its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (r) you acknowledge and agree that:
- (i) determination of eligibility of investors for the purposes of the Offers is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company; and
 - (ii) the Company and each of its affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (s) you will also be deemed to have acknowledged, represented and warranted on your behalf and on behalf of and in relation to each person on whose account you are acting that:
- (i) you are not in the United States and are not acting for the account of or benefit of a person in the United States; and
 - (ii) you have not, and will not, send any materials relating to the Offers to any person in the United States;
 - (iii) you are not otherwise a person to whom it would be illegal or unlawful to make an offer or issue of New Shares under an Offer;
- (t) you have not and will not send any materials relating to an Offer to any person in the United States or any other country outside Australia or New Zealand or any jurisdiction where it is not lawful for the materials relating to the Offer to be sent; and
- (u) you agree that the allotment of New Shares to you constitutes acceptance of your Application.

4.8 Nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that applying for New Shares does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.9 Brokerage

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement.

5. Risks

The New Shares are considered highly speculative and carry no guarantee with respect to the payment of dividends or returns of capital. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consult their professional advisers and consider the risks described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for New Shares.

The following list of risks ought not to be taken as exhaustive of all the risks faced by the Company or by Shareholders. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be managed and mitigated by planning and the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company or the Directors and cannot be mitigated.

5.1 Risks specific to the Company group

(a) Going concern risk

The Company notes the material uncertainty related to going concern in the auditor's report to the members regarding the Company's financial statements for the year ended 30 June 2024 in the 2024 Annual Report. Specifically, the auditor draws attention to note 3 to those financial statements, which indicates that the Group incurred a net loss of \$2,220,466 for the year ended 30 June 2024, and that, as of that date, the Group's current liabilities exceeded its current assets by \$3,704,797, and details the matters the directors have considered in their assessment that the going concern basis of preparation of the financial report is appropriate.

As stated in note 3 to those financial statements, these events or conditions, along with other matters detailed in the note, indicate the existence of material uncertainty. If these events or conditions are not completed, and within the timeframes forecast, whether the Group is able to continue as a going concern, and therefore realise its assets and settle its liabilities in the ordinary course of business is uncertain.

There is therefore the risk that Company may need to source additional funding to continue as a going concern and pay its debts as and when they are due. To the extent that funding is equity or equity type funding it may be dilutive, or on onerous terms, if available at all. In addition, any debt funding would increase the Company's debt levels, increase its funding costs and adversely impact the Company's financial results, again if available. If the Company is unable to obtain such additional funding, it may not be able to meet its future obligations as and when they fall due.

The Company's annual financial report for the full year ended 30 June 2024 was lodged by the Company on 1 October 2024, in respect of which the Company's auditors expressed an unmodified audit opinion (with an emphasis of matter on material uncertainty related to going concern).

(b) Suspension risk

On 7 March 2024, the Company's Shares were placed into suspension from quotation under Listing Rule 17.3, pending compliance with Listing Rule 19.11A(b) in relation to the disclaimer conclusion of the independent auditor in its review of the Company's reviewed half year financial report for the six months ending 31 December 2023 (**HY24 Report**).

The Company had issued the HY24 Report on 29 February 2024. The Company's auditors did not express a conclusion on the HY24 Report due to being unable to obtain sufficient and appropriate review evidence as to whether the Company group may be able to obtain sufficient funding in order to continue as a going concern within twelve months of the date of that review conclusion (being 29 February 2024). Since 29 February 2024, the Company has undertaken a number of initiatives to strengthen the Company's balance sheet, including by completing the Placement (including the Placement

Oversubscriptions), making the Offers and restructuring debt. Upon successful completion of the Offers and other such initiatives, the Company intends to consult with ASX to seek a lifting of the suspension. Notwithstanding this, there is a risk that the securities of the Company will not be reinstated to official quotation on the ASX in the short term, if at all. If the securities of the Company remain suspended for an extended period of time, there is also the risk that ASX could delist the Company from the official list of the ASX.

(a) **Effect of Entitlement Offer on control**

The Underwriter has committed to accept all of his Entitlements under the Entitlement Offer and to fully underwrite the Offer. Following the Entitlement Offer, the Underwriter's Voting Power will increase to the extent that other Shareholders do not participate in the Entitlement Offer.

As noted in Section 3.3 of the Prospectus, the Underwriter may increase its holding by relying on the exception contained in item 13 of Section 611 of the Corporations Act. The effect of the Entitlement Offer on the control of the Company will depend on a number of factors including:

- (i) the level of Eligible Shareholder participation;
- (ii) which Eligible Shareholders participate; and
- (iii) the level of dispersion via the oversubscription facility which enables Eligible Shareholders who have subscribed with valid Applications for their full Entitlement, to apply for additional Shortfall Shares (see Section 2.6).

(b) **Customer retention and revenue growth**

Continued growth in sales and profitability of the Company depends on a number of factors, including attracting new customers on a sufficiently profitable basis, and retaining and increasing revenue from existing customers. Customer revenue growth is particularly dependent upon the provision of consistently high-quality customer service and continued satisfaction of sales objectives. In addition, the Company's success is heavily reliant on its positive reputation, and particularly its customer satisfaction, in relation to its KneoWorld education platform. The occurrence of any unforeseen issue or event which impacts the performance of the Company's services may result in a diminution of customer satisfaction and loyalty and place the reputation of the Company at risk. If these risks were to arise there may be an adverse impact on the financial performance of the Company.

(c) **Competition**

The online education industry is rapidly evolving providing the Company with excellent growth opportunities however it may face potential loss of its competitive or market position as a result of potential product innovation by existing competitors or new entrants to the market, which the Company may not anticipate or respond to with sufficient speed to maintain its market position.

(d) **Changes in technology**

The Company operates in a Software as a Service (**SaaS**) industry in which technology is evolving rapidly with the introduction of new technologies, products and innovations. Customer behaviours, preferences and trends may change upon the onset of new methods of communication and digital platforms. The Company must continue to evolve and adapt its method of service offerings to maintain its competitive position. There is a risk that the Company will not be able to introduce new and superior products and services at the rate seen by other competitors in the market generally. The Company's ability to do so is constrained by factors including its available capacity, resources and

capital to invest in product development, innovation and design. This may adversely impact the Company's financial performance.

(e) **Infrastructure and technology failure**

The Company's business is heavily dependent on the efficient and reliable provision of third party information communication technologies and systems for the delivery of its products and services. Should these systems not be adequately maintained, secured and updated, or the Company's business continuity and disaster recovery processes not be adequate, system failures may negatively impact the Company's operations.

(f) **Cyber and security**

The Company retains a significant amount of sensitive customer and third-party information. Customers have high expectations regarding the protection of their information. Additionally, the legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding. Failures or breaches of data protection systems can result in reputational damage, regulatory impositions and financial loss, including claims for compensation by customers or penalties by Departments of Education, regulators or other authorities.

As a technology business, the Company's business may be adversely affected by technological disruptions, including through impacts of malicious third-party applications or other form of cyber-attack on the Company that could result in failures and interfere with its systems, products and platforms. It is possible that the measures taken by the Company will not prevent unauthorised access to its systems and technologies, risking third party access to confidential or otherwise sensitive data. If, as a consequence, the Company is unable to provide services to its customers, it may experience loss of market share, damage to reputation and brand, customer compensation claims, increased costs and regulatory action.

(g) **Compliance**

The Company operates in an industry subject to compliance risk. The Company relies on its own and third parties' compliance essential for it to operate its business. A compliance breach by any of these parties could have a material adverse effect on its business, financial condition and results or operations of the Company.

(h) **Availability of infrastructure and equipment**

The Company is dependent upon third party suppliers for IT and network infrastructure services and equipment. Any service failures or supply chain delays in supplying equipment may have a significant impact on the Company's ability to adequately service its customers. This could impact the Company's market share, revenue and profitability.

(i) **Equity and debt market**

The Company's ability to service its existing equity or debt requirements depends upon its financial performance and cash flows which to some extent, are subject to general economic, financial, regulatory and other factors beyond the control of the Company. If the Company is unable to generate sufficient cash flows to meet its obligations, it may in the future require additional debt or equity capital in order to fund growth strategies, including for acquisition opportunities that may arise from time to time. There is a risk that the Company may be unable to access debt or equity funding from the capital markets when required on favourable terms, or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

5.2 General risks

The following risks have been identified as being some general risks associated with an investment in the Company, noting its publicly listed status:

(a) **Trading price of Securities**

The price at which the Shares are quoted on ASX may increase or decrease due to a number of factors outside of the Company's control and which are not explained by the fundamental operations and activities of the Company. The price of Shares may be subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks, and hedging or arbitrage trading activity that may develop involving the Shares. These factors may cause the Shares to trade at prices above or below the price at which the Shares were initially acquired.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(b) **Economic risk**

General economic conditions in Australia and internationally, movements in interest, inflation and currency exchange rates, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws and changes to dividend imputation in Australia may have an adverse effect on the Company's production activities, as well as on its ability to fund those activities.

(c) **Legislative changes**

Changes in Australian and foreign government regulation and policies may adversely affect the financial performance or the current and proposed operations generally of the Company. The Company is not aware of any current or proposed material changes in relevant regulations or policy.

(d) **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses are subsequently incurred, the expenditure proposal of the Company may be adversely affected.

(e) **Taxation**

The Company is subject to the tax regime of Australia. Generally, changes in tax laws and regulations or their interpretation and application could adversely affect the tax liabilities of the Company.

(f) **Security investments**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such

companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

(g) **Liquidity risk**

There may be relatively few buyers or sellers of securities on ASX at any given time. This may affect the volatility of the market price of the securities and the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under an Offer.

5.3 Investment speculative

The above list of risks ought not to be taken as exhaustive of the risks faced by the Company or by prospective investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares. The New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Prospective investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

5.4 Other

Other risk factors include those normally found in conducting business, including litigation through breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel and other matters that may interfere with the Company's business or trade.

6. Rights attaching to New Shares

6.1 Rights attaching to Shares

A summary of the rights attaching to Shares is set out below. The New Shares will rank *pari passu* in all respects with existing Shares. This summary is qualified by the full terms of Company's Constitution (a full copy of the Constitution is available from Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to shares in any specific circumstances, the Shareholder should seek legal advice.

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every fully paid up Share held by them. In the case of a partly paid share, a fraction of a vote equivalent to a proportion which the amount paid up on that member's share bears to the total amounts paid and payable (excluding amounts credited) on that share.

(b) Dividends

Subject to law and any special rights and restrictions attached to any Shares:

- (i) the directors may declare and pay dividends as appear to them to be justified by the profits of the Company; and
- (ii) the person entitled to a dividend on a Share is entitled to:
 - (A) if the Share is fully paid (whether the issue price of the Share was paid or credited or both), the entire dividend; or
 - (B) if the Share is partly paid, a proportion of that dividend equal to the proportion which the amount paid on that Share bears to the total issue price of that Share. Any amounts credited without payment in money or other consideration being made to the Company and any amounts paid up in advance of the applicable due date for payment are ignored when calculating the proportion.

(c) Winding up

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus assets of the Company reclaiming after the payment of its debts must be divided among the Shareholders in the proportions which the amount paid (including amounts credited) on the Shares of a Shareholder is of the total issue price of the Shares of all Shareholders.

(d) Further Increases in Capital

Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, ASX Settlement Operating Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors have the right to issue shares or grant options over the unissued shares to any person and they may do so at such times as they think fit and on the conditions they think fit.

Such shares may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise, as the directors think fit.

(e) **Variation of Rights**

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:

- (i) with the written consent of the holders of 75% of the shares of the class; or
- (ii) by a special resolution passed at a separate meeting of the holders of shares of the class.

(f) **Transfer of securities**

Generally, the shares and options in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

(g) **Sale of non-marketable holdings**

The Company may take steps in respect of non-marketable holdings of shares in the Company to effect an orderly sale of those shares in the event that holders do not take steps to retain their holdings.

The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitutions and the ASX Listing Rules.

(h) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 **Dividend policy**

The Company does not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

7. Additional information

7.1 Placement

On 5 July 2024, the Company announced that it had secured firm commitments for a placement of Shares to professional and sophisticated investors at \$0.0015 per Share to raise \$1 million (before costs) and that the Company anticipated closing the placement at \$1.25 million pursuant to oversubscriptions under that placement (**Placement**).

The Company has completed the Placement of Shares to professional and sophisticated investors at \$0.0015 per Share to raise \$1.25 million (before costs).

The Placement comprised of two tranches and the Placement Oversubscriptions as follows:

- (a) **Tranche 1:** the first tranche, under which the Company issued 229,990,700 Shares (**Tranche 1 Placement Shares**) on 9 July 2024 to raise approximately \$344,986 (before costs) under its maximum available placement capacity pursuant to ASX Listing Rule 7.1;
- (b) **Tranche 2:** the second tranche, under which the Company issued 436,675,967 Shares (**Tranche 2 Placement Shares**) to raise approximately \$655,014 (before costs) on 27 August 2024 following shareholder approval obtained under ASX Listing Rule 7.1; and
- (c) **Placement Oversubscriptions:** the oversubscription facility, under which the Company issued 166,666,667 Shares (**Placement Oversubscription Shares**), comprising of 83,333,333 Shares issued on 27 August 2024 and the remaining 83,333,333 Shares issued on 30 October 2024), to raise \$250,000 in aggregate (before costs) following shareholder approval obtained under ASX Listing Rule 7.1 (**Placement Oversubscriptions**).

In connection with the Placement, on 27 August 2024, the Company also issued 4,860,090 Shares (**Tranche 2 Placement Loan Interest Shares**) to repay interest accrued on the Tranche 2 Placement Loan.

The Placement Shares (which includes the Tranche 1 Placement Shares, the Tranche 2 Placement Shares, the Tranche 2 Placement Loan Interest Shares and the Placement Oversubscription Shares) were issued prior to the Record Date. Therefore, participants in the Placement (including the Placement Oversubscriptions) will be eligible to participate in the Entitlement Offer.

This Prospectus has also been issued to facilitate secondary trading of the Placement Shares as they were issued without disclosure under Part 6D.2 of the Corporations Act. A prospectus is required under the Corporations Act to enable the recipients of the Placement Shares to on-sell those Placement Shares within 12 months of their issue. The Company did not issue the Placement Shares with the purpose of the persons to whom they are issued selling or transferring them, or granting, issuing or transferring interests in them within 12 months of their issue, however this Prospectus provides them with the ability to do so should they wish.

7.2 Underwriting agreements

The Company entered into an underwriting agreement with the Underwriter on 2 November 2024 to fully underwrite the Entitlement Offer (**Underwriting Agreement**).

Pursuant to the Underwriting Agreement, the Underwriter has an obligation to subscribe for, or procure subscriptions for, the Shortfall Shares (which are not allocated to Eligible Shareholders in accordance with the Shortfall allocation policy described in Section 2.6) at \$0.0015 per Shortfall Share. The Underwriter must also use its best endeavours to allocate the Shortfall Shares to sub-underwriters such that neither the Underwriter nor any of its sub-underwriters will individually have a Voting Power in the Company in excess of 15%.

The Underwriter has entered into separate sub-underwriting agreements with various related and non-related parties (who are sophisticated investors) to sub-underwrite the Entitlement Offer up to 216,666,667 New Shares, representing a sub-underwritten amount of \$325,000. The sub-underwriting agreements are described in Section 7.3.

No fees will be payable by the Company to the Underwriter (or any sub-underwriters) in connection with the Underwriting Agreement or the Entitlement Offer.

The Underwriter may terminate its obligations under the Underwriting Agreement if before all of the New Shares under the Entitlement Offer have been allotted by the Company in accordance with the Entitlement Offer (or the Underwriting Agreement), the Underwriter becomes aware or is notified by the Company of the happening of any one or more of the following events:

- (a) (**change of law**) there is a change in law (including any statute, order, rule, regulation, directive or request) of any government agency which makes it illegal for the Underwriter to satisfy an obligation under the Underwriting Agreement;
- (b) (**ASX removal**) the Company is removed from the official list of ASX;
- (c) (**Default**) there is any material breach by the Company of its obligations under the Underwriting Agreement, which is either incapable of remedy or, if able to be remedied, is not remedied within ten Business Days;
- (d) (**Insolvency**) an Event of Insolvency (as described below) occurs in relation to the Company; or
- (e) (**withdrawal of Entitlement Offer**) the Company withdraws the Entitlement Offer.

An "**Event of Insolvency**" occurs in relation to a party under the Underwriting Agreement where:

- (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any insolvency provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

The Company may terminate its obligations under the Underwriting Agreement if before all of the New Shares under the Entitlement Offer have been allotted by the Company in accordance with the Entitlement Offer (or the Underwriting Agreement), any of the following occurs:

- (a) **Default**) default by the Underwriter under the Underwriting Agreement;
- (b) **(Incorrect or untrue representation)** any representation, warranty or undertaking given by the Underwriter in the Underwriting Agreement is or becomes untrue or incorrect; or
- (c) **(Withdrawal of Entitlement Offer)** withdrawal of the Entitlement Offer by the Company.

The Underwriting Agreement contains other terms and conditions considered standard for an agreement of this type, including warranties, representations and indemnities in favour of the Underwriter that are standard for services of the kind that the Underwriter is providing to the Company.

7.3 Sub-underwriting agreements

The Underwriter has entered into:

- (a) a sub-underwriting agreement with Director James Kellett, through his associated entity Furneaux, to sub-underwrite the Entitlement Offer up to \$100,000 (being up to 66,666,667 Shortfall Shares), to be offset against part of the Furneaux Loan;
- (b) a sub-underwriting agreement with Director Jeffrey Bennett, through his associated entity Hixon, to sub-underwrite the Entitlement Offer up to \$50,000 (being up to 33,333,333 Shortfall Shares);
- (c) a sub-underwriting agreement with Director Franklin Lieberman, to sub-underwrite the Entitlement Offer up to \$40,000 (being up to 26,666,667 Shortfall Shares); and
- (d) sub-underwriting agreements with other non-related parties of the Company to sub-underwrite the Entitlement Offer up to an aggregate of 90,000,000 New Shares, representing an aggregate sub-underwritten amount of \$135,000.

The amounts payable by Mr Kellett in respect of any New Shares acquired by him pursuant to his sub-underwriting agreement will be offset against part of the Furneaux Loan, in accordance with the Furneaux Loan Settlement Agreement described in Section 7.4.

No fees will be payable to any sub-underwriters, including the Directors or any of their respective associated entities, in connection with the Entitlement Offer.

The significant events that could lead to the sub-underwriting agreements being terminated are as follows:

- (e) if the Entitlement Offer does not proceed or any part of it is withdrawn by the Company;
- (f) if the Underwriting Agreement is terminated in accordance with its terms or the Underwriting Agreement otherwise ceases, including as a result of a condition not being satisfied for any reason and the Underwriter does not waive such non satisfaction;
- (g) the sub-underwriter's right to participate in the sub-underwriting under their sub-underwriting agreement lapses for any reason; or
- (h) the sub-underwriter breaches their sub-underwriting agreement and the Underwriter gives the sub-underwriter a notice of the termination of that agreement.

The sub-underwriting agreements otherwise contain terms and conditions considered standard for an agreement of this type.

7.4 Furneaux Loan Settlement Agreement

Furneaux has previously provided loans to the Company to support the Company's working capital requirements. As at 31 October 2024, the aggregate loan principal and accrued interest owing to Furneaux is \$452,311.85 (**Furneaux Loan**)

On 2 November 2024, the Company, the Underwriter and Furneaux entered into a letter agreement pursuant to which Furneaux's obligation to pay for any Shortfall Shares acquired by Furneaux pursuant to the sub-underwriting agreement between Furneaux and the Underwriter will be satisfied by a portion of the Furneaux Loan (to the amount of \$100,000) being set-off against the amount payable by Furneaux to acquire those Shortfall Shares under that sub-underwriting agreement (being \$100,000) (the **Furneaux Loan Settlement Agreement**).

7.5 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the application period under this Prospectus:
 - (i) the annual financial report most recently lodged by the Company with ASIC;
 - (ii) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in item (c)(i) above and before the lodgement of this Prospectus with ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the

Corporations Act after the lodgement of the annual financial report referred to in item (c)(i) above and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of its 2024 Annual Report:

Date of announcement	Description of announcement
30/10/2024	Quarterly Activities/Appendix 4C Cash Flow Report
30/10/2024	Application for quotation of securities - KNM
29/10/2024	Notice of Annual General Meeting/Proxy Form
18/10/2024	Long Term Suspended Entities
16/10/2024	Launch of New KneoScience EdTech Platform in New York City
03/10/2024	Becoming a substantial holder
01/10/2024	Appendix 4G and Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours. The announcements are also available through the Company's website: <https://www.kneomedia.com/>.

7.6 Substantial holdings

As at the date of this Prospectus, the Company has the following substantial holders (based on the substantial holder notices that have been provided to the Company and released to the ASX and information from the Share Registry).

Substantial holder of the Company	Number of Shares held ¹	Voting Power ²
Antanas Guoga	200,710,126	8.46%

7.7 Interests of Directors

Except as disclosed in this Prospectus, no Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- the Offers;

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- any Director to induce him or her to become, or to qualify as, a Director; or
- any Director for services which he or she (or entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers.

7.8 Directors' Interests

Except as disclosed in this Prospectus, at the date of this Prospectus, the relevant interests of the Directors and their related entities in securities in the Company, are detailed in the table below.

Director	Shares	Options	Performance Rights	Convertible Notes	Entitlements under the Entitlement Offer
James Kellett ¹	27,835,714	5,000,000	10,511,180	-	9,742,500 New Shares
Franklin Lieberman ²	2,166,666	-	5,255,590	-	758,334 New Shares
Jeffrey Bennett ³	31,665,117	2,500,000	5,255,590	-	11,082,791 New Shares

Notes:

1. Comprising of 27,052,381 Shares and 5,000,000 Options held by Furneaux, an entity controlled by Mr Kellett, 783,333 Shares held by Kellett Super Pty Ltd ACN 149 092 231 as trustee of the Kellett Superannuation Fund A/C, an entity controlled by Mr Kellett, and 10,511,180 Performance Rights held by Mr Kellett in his personal capacity. Refer to Appendix 3Y lodged in relation to Mr Kellett on 22 November 2023 for further information. In addition to Mr Kellett's (and his associated entities') respective Entitlements, Mr Kellett's associated entity Furneaux may acquire up to an additional 66,666,667 Shares pursuant to the sub-underwriting arrangements between Furneaux and the Underwriter outlined in Sections 2.9 and 7.3.
2. Comprising of 83,333 Shares held by Mr Lieberman's spouse, Mrs Evelyn Lieberman, 83,333 Shares held by Mr Lieberman's child, Mr Richard Lieberman and 2,000,000 Shares and 5,255,590 Performance Rights held by Mr Lieberman in his personal capacity. Refer to Appendix 3Y lodged in relation to Mr Lieberman on 5 December 2022 for further information. Mr Lieberman may acquire up to an additional 26,666,667 Shares pursuant to the sub-underwriting arrangements between Mr Lieberman and the Underwriter outlined in Sections 2.9 and 7.3.
3. Comprising of 31,665,117 Shares and 2,500,000 Options held by Hixon, an entity controlled by Mr Bennett, and 5,255,590 Performance Rights held by Mr Bennett in his personal capacity. Refer to Appendix 3Y lodged in relation to Mr Bennett on 22 November 2023 for further information. Mr Bennett's associated entity Hixon may acquire up to an additional 33,333,333 Shares pursuant to the sub-underwriting arrangements between Hixon and the Underwriter outlined in Sections 2.9 and 7.3.

7.9 Directors' Remuneration

The remuneration (including superannuation) of existing Directors for the past two financial years (30 June year-end) are as follows:

Director	Title	Financial Year to 30 June 2023 (\$)	Financial Year to 30 June 2024 (\$)
James Kellett	Executive Chair & CEO	315,158	319,300
Franklin Lieberman	Executive Director	48,129	48,129
Jeffrey Bennett	Non-Executive Director	42,000	42,000

7.10 Interests of Other Persons

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) do not hold, have, and have not had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offers, except as disclosed in this Prospectus and as follows:

- (d) Thomson Geer has acted as the Australian lawyers to the Company for the Entitlement Offer. In respect of this work the Company will pay Thomson Geer approximately \$40,000 (exclusive of GST). During the two years before the date of this Prospectus, Thomson Geer provided the Company with legal services, and has been paid approximately \$30,000 in respect of these services.
- (e) Boardroom Pty Limited conducts the Company's share registry functions and will provide administrative services in respect to the proposed Share applications pursuant to this Prospectus. Boardroom Pty Limited will be paid for these services on standard industry terms and conditions.

The amounts disclosed above are exclusive of GST.

No fees will be payable by the Company to the Underwriter (or any sub-underwriters) in connection with the Underwriting Agreement or the Entitlement Offer

7.11 Related party transactions

At the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

7.12 Market price of Shares

The Company's Shares have been suspended from quotation on ASX since 7 March 2024, and remain suspended as at the date of this Prospectus.

The highest and lowest market sale prices of the Shares on ASX during the three months of trading preceding 7 March 2024, being the date that the Company went into suspension, and the respective dates of those sales were:

Highest: \$0.003 (various, including 16 February 2024)

Lowest: \$0.002 (various, including 6 March 2024)

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.002 per Share on 6 March 2024.

7.13 Costs of the Offers

The costs of the Offers payable by the Company (exclusive of GST) are as follows:

	(\$)
ASIC lodgement fee and ASX quotation fees	\$10,000
Legal expenses	\$40,000

	(\$)
Registry and project management fees, printing and mailing costs, and other expenses	\$17,000
TOTAL	\$67,000

7.14 Taxation implications

The acquisition and disposal of New Shares will have taxation consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Company are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the Shares.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for New Shares.

7.15 Litigation and claims

So far as the Directors are aware, other than as disclosed by the Company to ASX, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

7.16 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the following parties:

Name	Role
Thomson Geer	Australian legal advisors
Antanas Guoga	Underwriter
Furneaux Management Pty Ltd	Sub-underwriter
Hixon Pty Ltd	Sub-underwriter
Mr Franklin Lieberman	Sub-underwriter
Boardroom Pty Limited	Share Registry

- (a) has given its consent to be named in this Prospectus as set out above and has not withdrawn its consent at the date of lodgement of this Prospectus with ASIC;
- (b) makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers;

- (c) has not made or purported to have made any statement in this Prospectus or statement on which a statement in this Prospectus is based, except as described in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for this Prospectus other than a reference to its name and any statement or report included in this Prospectus with the consent of that party as described in this Section.

None of the parties referred to in this Section 7.16 has authorised or caused the issue of this Prospectus or the making of the Offers.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

7.17 Documents available for inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus; and
- (b) the Constitution.

7.18 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

7.19 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Shares.

7.20 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of New Shares in response to an electronic Application Form, subject to compliance with certain provisions. If you have received an electronic copy of this Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company and the Company will send to you, free of charge to you, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from an Applicant if it has reason to believe that when that Applicant was given access to the electronic Application Form, it was not provided together with an electronic copy of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies shall be held by the Company on trust and returned (without interest) to the Applicant as soon as practicable.

For personal use only

8. Authorisation

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:



Mr James Kellett
Executive Chairman

4 November 2024

9. Glossary

In this Prospectus, unless the context otherwise requires:

\$ means Australian dollar.

2024 Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2024 and includes the corporate directory, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2024, together with a Directors' report in relation to that financial year and the auditor's report for the period to 30 June 2024.

AEDT means Australian Eastern Daylight Time.

Applicant means a person who applies for New Shares under and in accordance with this Prospectus.

Application means a valid application for New Shares offered under this Prospectus.

Application Form means an Entitlement and Acceptance Form or a Shortfall Offer Application Form, as the context requires.

Application Monies means application monies for New Shares received by the Company from an Applicant.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits, the market operated by it.

ASX Settlement Rules means ASX Settlement Operating Rules of the ASX.

Board means the board of directors of the Company.

Business Day has the meaning given to that term in the ASX Listing Rules.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means the closing date for the Entitlement Offer as referred to in the Indicative Timetable.

Company or **KneoMedia** means KneoMedia Limited ACN 009 221 783.

Constitution means the constitution of the Company as at the date of this Prospectus.

Convertible Note means a convertible note in the capital of the Company.

Convertible Security means an Option, a Performance Right or a Convertible Note on issue.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Director Loan Settlement Agreements has the meaning given to that term in Section 7.4.

Eligible Shareholder has the meaning given to that term in Section 2.16.

Entitlement means a Shareholder's entitlement to subscribe for New Shares under the Entitlement Offer.

Entitlement Offer has the meaning given to that term in Section 2.1.

Entitlement and Acceptance Form means the entitlement and acceptance form attached to, or accompanying this Prospectus, that sets out the Entitlement of an Eligible Shareholder to subscribe for New Shares pursuant to the Entitlement Offer.

Furneaux means Furneaux Management Pty. Ltd. ACN 126 199 755.

Furneaux Loan has the meaning given to that term in Section 7.4.

Group means the Company and each of its subsidiaries.

Hixon means Hixon Pty Ltd ACN 092 151 829.

HY24 Report means the Company's reviewed half year financial report for the six months ending 31 December 2023.

Indicative Timetable means the indicative timetable on page 5 of this Prospectus.

Ineligible Shareholder has the meaning given to that term in Section 2.16.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the official listing rules of ASX.

New Share means a Share offered pursuant to this Prospectus.

Offers means the Entitlement Offer and the Shortfall Offer and Offer means any of them.

Official Quotation means quotation of Shares on the official list of ASX.

Opening Date means the date referred to as such in the Indicative Timetable.

Option means an option to acquire a Share.

Performance Right means a performance right in the capital of the Company.

Placement has the meaning given to that term in Section 7.1.

Placement Oversubscriptions has the meaning given to that term in Section 7.1.

Placement Oversubscription Shares has the meaning given to that term in Section 7.1.

Placement Shares means the Tranche 1 Placement Shares, the Tranche 2 Placement Shares, the Tranche 2 Placement Loan Interest Shares and the Placement Oversubscription Shares.

Privacy Act means the *Privacy Act 1988* (Cth).

Prospectus means this prospectus dated 4 November 2024.

Record Date means the date referred to as such in the Indicative Timetable.

SaaS has the meaning given to that term in Section 5.1(e).

Section means a section of this Prospectus.

Securities means any securities including Shares or Options issued or granted by the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of Shares.

Share Registry means Boardroom Pty Limited.

Shortfall means the New Shares not applied for under the Entitlement Offer before the Closing Date.

Shortfall Offer Application Form means the application form attached to, or accompanying this Prospectus, to be used for the purposes of applying for Shortfall Shares (upon invitation from the Company).

Shortfall Offer has the meaning given to that term in Section 2.6.

Shortfall Shares means the New Shares constituting the Shortfall.

Statements has the meaning given to that term in Section 3.5.

Tranche 1 Placement Shares has the meaning given to that term in Section 7.1.

Tranche 2 Placement Shares has the meaning given to that term in Section 7.1.

Tranche 2 Placement Loan means an unsecured, interest free interim loan to the Company by certain participants in the Placement in respect of application monies advanced to the Company by those participants for the Tranche 2 Placement Shares.

Tranche 2 Placement Loan Interest Shares has the meaning given to that term in Section 7.1.

Underwriting Agreement has the meaning given to that term in Section 7.2.

Underwriter means Antanas Guoga.

Voting Power has the meaning given in section 610 of the Corporations Act.