

# MIGHTY KINGDOM

MIGHTY KINGDOM LIMITED (ASX: MKL) ABN 39 627 145 260

## ANNUAL FINANCIAL REPORT

YEAR ENDED 30 JUNE 2024



# CONTENTS

<b>Directors' Report</b>	3
<b>Remuneration Report</b>	13
<b>Auditor's Independence Declaration</b>	22
<b>Consolidated Financial Statements</b>	23
<b>Notes to the Consolidated Financial Statements</b>	27
<b>Consolidated Entity Disclosure Statement</b>	53
<b>Directors' Declaration</b>	54
<b>Independent Auditor's Report</b>	55
<b>Shareholder Information</b>	60
<b>Corporate Information</b>	62

## Directors' Report

The Directors of Mighty Kingdom Limited present their report together with the financial statements of the consolidated entity, being Mighty Kingdom Limited (the "Company" or "Mighty Kingdom") and its controlled entities (the "Group") for the year ended 30 June 2024.

### Directors

The following persons were Directors of Mighty Kingdom Limited during or since the end of the financial year:

#### David Butorac

From 4 August 2022

#### Chair - Independent Non-Executive Director

David is a Harvard Business School alumnus, with 35+ years of executive experience spanning some of the world's most successful broadcasting & digital media companies. David has held executive positions at OSN, WIN Corp, Star TV & Astro and spent 14 years in senior managerial roles at the News Corporation's BSkyB and Foxtel. During his tenure at OSN, the company navigated to profitability and became the highest revenue broadcasting business in the MENA region. He is proficient in business & fiscal management, leadership, operations, turnarounds, start-ups, business development & strategic planning. David was appointed to the role of Chair on 6 December 2023

Other ASX Directorships in the last 3 years: Nil

Interests in shares:	None
Interest in options:	4,000,000

#### Ian Hogg

From 4 August 2022

#### Independent Non-Executive Director

Ian has 25+ years of executive experience in the media & entertainment industries. A Columbia University alumnus, he spent 9 years as CEO of Fremantle with full P&L responsibility for Asia Pacific group operation, as well as sitting on the Global Operating Board. Ian has previously held senior leadership positions at MGM UA, Network TEN, Mediaworks NZ and as CEO of the Singapore based World Sport Group. Ian's passion for storytelling and managing Intellectual property workflows will add immediate strength to MK's business pipelines.

Other ASX Directorships in the last 3 years: Nil

Interests in shares:	None
Interest in options:	4,000,000

#### Mark Aubrey

From 15 March 2024

#### Independent Non-Executive Director

Mark is an industry veteran and recognised leader in the gaming industry. Notably, Mark was the Managing Director of Activision Blizzard King (ABK) APAC, a senior executive at Warner Bros and a board member of Interactive Games and Entertainment Association. At ABK, Mark managed all aspects of the Company's go-to-market operations. Mark acted as Company Director of multiple ABK entities globally including the Sledgehammer Games Melbourne (SHG) studio. Mark has extensive Board and Advisory experience in the games and technology space including with the Savvy Games Group. He currently serves as CEO and Board Member of Sydney Football Club.

Other ASX Directorships in the last 3 years: Nil

Interests in shares:	13,333,333
Interest in options:	10,000,000

**Chris Whiteman**

From 15 March 2024

**Independent Non-Executive Director**

Chris is a Corporate and Commercial Advisor with over 25 years of experience across multiple industries, geographies, and structures. With significant public company experience through differing perspectives of both listed and unlisted public company directorships, as well as sell side equity capital markets activities, Chris has been on the Board of Animoca Brands since 2018. Animoca Brands is considered one of the global leaders in gaming, at the forefront of evolution of Web3 and digital property rights for content creators. Chris is also a Director of iCandy Interactive, one of the largest game studios in SE Asia, and OliveX Holdings Limited, a pioneer in the move-to-earn mobile gaming experience.

Other ASX Directorships in the last 3 years: iCandy Interactive Ltd (ASX: ICI) since 3 March 2021.

Interests in shares:	15,000,000
Interest in options:	10,000,000

**David Yin**

Director from 19 June 2024

**Chief Executive Officer and Managing Director**

David is a leader in the mobile gaming industry, recognized for his expertise running and advising successful gaming studios, with 25 years of experience. Appointed to the role of Chief Executive Officer for Mighty Kingdom on 15 March 2024, he was promoted to the role of Managing Director on 19 June 2024. Prior to joining Mighty Kingdom David was the CEO of Storms Studio where he led the group to achieve record revenue growth resulting in a successful acquisition by iCandy Interactive Ltd where David went on to hold the role of President of Web3 gaming. Prior to this, David was the Head of Business Development for Google Play in ANZ and Southeast Asia where he led growth strategies with leading mobile game studios. David is a Chartered Accountant, holds an MBA from UNSW AGSM and is a Graduate of the AICD

Other ASX Directorships in the last 3 years: Nil

Interests in shares:	33,333,333
Interest in options:	10,000,000

**Philip Mayes**

From 6 December 2023 to 15 March 2024

**Independent Non-Executive Director**

With more than 15 years of experience, Philip has worked on games for many large international brands, including Hellboy, Spyro, Star Wars, LEGO® and Disney. Philip founded Mighty Kingdom in 2011 initially as an app developer but made the decision to focus exclusively on games in 2013. He previously held the role of Chief Executive Officer and Managing Director of Mighty Kingdom stepping down in January 2023. He is an advocate for the return of large-scale console game development to Australia and has worked to develop the ecosystem required to support it when it does.

Other ASX Directorships in the last 3 years: Nil

Interests in shares:	64,595,236
Interest in options:	None

**Michelle Guthrie**

From 17 December 2020 to 6 December 2023

**Former Chair - Independent Non-Executive Director**

Michelle has held senior management roles at leading media and technology companies in Australia, the UK and Asia, including BSkyB, Star TV, and Google. She has extensive experience and expertise in management, digital media, and the global technology sector. Michelle was the MD of the ABC where she led the transformation of the organisation. Michelle holds a Bachelor of Arts and Law (Honours) from the University of Sydney.

Other ASX Directorships in the last 3 years:

- Catapult Group International Limited (ASX: CAT) since December 2019
- BNK Banking Corporation Limited (ASX: BBC) from July 2021 to July 2023

Interests in shares:	105,865,510
Interest in options:	None

**Gabriele Famous**

From 21 April 2021 to 4 August 2023

**Independent Non-Executive Director**

Gabriele is a technology executive and insightful board member with 20+ years of senior leadership experience in Australia, UK and US at global technology leaders including Oracle Aconex, Salesforce, Vamp (Visual Amplifiers), Trustpilot and Zendesk. She has significant expertise in enterprise go-to-market acceleration, digital transformation, and mergers and acquisitions. She has been an active speaker in the technology community discussing growth, data trends, and the impacts to customer engagement. Gabriele holds an M.S. in Management from Stanford University Graduate School of Business and a B.A. in Economics from the University of Arizona.

Other ASX Directorships in the last 3 years: Nil

Interests in shares:	571,429
Interest in options:	None

**Melanie Fletcher**

From 4 August 2022 to 11 September 2023

**Independent Non-Executive Director**

Melanie has a 30-year track record of delivering productions across the globe and is the CEO of Done + Dusted North America. Done+Dusted is a producer of high stakes, high profile global events and content. Melanie has been integral in guiding Done+Dusted from a boutique London-based production company to a global entertainment group. Her track record of fostering relationships & creating a unique company culture attracts & retains the world's best, creatives & clients that span A-List artists, major networks & Fortune 500 companies.

Other ASX Directorships in the last 3 years: Nil

Interests in shares:	None
Interest in options:	4,000,000

**Megan Brownlow**

From 17 December 2020 to 31 January 2023

**Independent Non-Executive Director**

Megan is an experienced non-executive director, boardroom facilitator and speaker who, in her executive career, held senior leadership positions in strategy, marketing and management consulting for large media and consulting firms. Until April 2019 Megan was a partner with PwC Australia and led the National Telecommunications, Media and Technology (TMT) Industry practice, assisting clients with strategy, due diligence, forecasting and market analysis.

Apart from her role with Mighty Kingdom, Megan is the Deputy Chair of Screen Australia, Deputy Chair of the Media Federation of Australia, Chair of the Industry and the Advisory Board for the School of Communications, University of Technology, Sydney (UTS).

Other ASX Directorships in the last 3 years:

Atomos Limited (ASX: AMS) from July 2021 to June 2023

Interests in shares: 105,263

Interest in options: None

**Katelyn Adams**

From 12 February 2024

**Company Secretary**

Katelyn Adams has over 15 years of accounting and board experience, servicing predominantly ASX listed companies. Katelyn is a Chartered Accountant and Partner of the Corporate Advisory division of HLB Mann Judd in Adelaide, as well as the Company Secretary of various listed and private companies. Katelyn has extensive knowledge in corporate governance, ASX Listing Rule requirements, IPO and capital raising processes, as well as a strong technical accounting background.

**Kaitlin Smith**

From 9 December 2020 to 11 February 2024

**Company Secretary**

Kaitlin Smith is an experienced Company Secretary and corporate governance professional and has held Company Secretary and CFO roles in ASX listed and unlisted entities. Ms Smith is a Chartered Accountant, a fellow member of the Governance Institute of Australia and holds a Bachelor of Commerce (Accounting).

## Meetings of directors

The number of meetings of the Company's Board of Directors (the "Board") and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

Name	Board		Audit and Risk Committee		Remuneration and Nomination Committee	
	Number of meetings		Number of meetings		Number of meetings	
	Held while Director	Attended	Held while committee member	Attended	Held while committee member	Attended
David Butorac	28	28	5	5	-	-
Ian Hogg	28	23	5	5	1	1
Mark Aubrey <sup>1</sup>	9	7	-	-	-	-
Chris Whiteman <sup>1</sup>	9	8	-	-	-	-
David Yin <sup>2</sup>	-	-	-	-	-	-
Philip Mayes <sup>3</sup>	10	10	1	1	-	-
Michelle Guthrie <sup>4</sup>	9	9	4	4	-	-
Melanie Fletcher <sup>5</sup>	8	5	-	-	-	-
Gabriele Famous <sup>6</sup>	5	5	1	1	1	1

1. Appointed 15 March 2024.

2. Appointed 19 June 2024.

3. Appointed 6 December 2023. Resigned 15 March 2024.

4. Not reappointed 6 December 2023.

5. Resigned 11 September 2023.

6. Resigned 31 July 2023.

## Committee membership

As at the date of this report, the Group has an Audit and Risk Committee and a Remuneration and Nomination Committee. The members of each committee are as follows;

### Remuneration and Nomination Committee

Ian Hogg (Chair)  
David Butorac  
Mark Aubrey

### Audit and Risk Committee

Chris Whiteman (Chair)  
David Butorac  
Mark Aubrey

## Review and results of operations

The Group presents its results for FY24. The results reflect the Group's continuing focus on effective financial and operational management offset by significant uncertainty and instability during the period. The Group's ability to execute on its strategic objectives were significantly hampered during the period due to a lack of working capital and disputes with former major shareholder Gamestar Studio's Pty Ltd ("Gamestar").

### Financial

- Games revenue of \$5.1m representing a 26% decline over the previous financial year
- Total Income of \$7.483m including other income associated with research and development incentives, Digital Games Tax Offset and other grants
- Underlying operational costs were down \$4.3m to \$14.3m when compared to \$18.7m in the prior period. This represents a 23% decrease year on year.
- One off non-recurring costs in relation to the restructure, legal and corporate advisory, bad debt and finance expenses totalled \$1.6m.
- Total loss after income tax \$7.0m a reduction of 23% compared to the prior year.
- Operating cash outflows down 24% year on year.

### Operational

- The Group continued its strong collaboration with East Side Games Group and its portfolio of global IP.
  - Expansion of content and gameplay for Star Trek Lower Decks to maintain the performance of the game's monetisation efforts
  - Completed development for Power Rangers: Mighty Force continued with the game soft launching in a number of territories during the period. The game was launched globally on 9 August 2024 (post year-end)
- Successful delivery of game content for Google's launch of the Fitbit Ace LTE, a first-of-its-kind kids smartwatch. The product using kid-centric developed software to encourage movement through gameplay. Mighty Kingdom is looking forward to the on-going collaboration with Google in FY25.
- On-going commitment from Spinmaster saw the Company enter multiple contracts for continued game development on popular children's brand Gabby's Dollhouse
- An organisational restructure took place in May 2024 to streamline operations and align the business to current priorities. The workforce was reduced by 28% which will result in annualised cost savings of \$2.1m.
- Appointment of non-Executive Directors Mark Aubrey and Chris Whiteman.
- Changes within key management with the appointment of David Yin – Managing Director and Chief Executive Officer.

The Group presents its normalised loss after tax as below:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from ordinary activities	5,102	6,932
Loss after income tax	(6,991)	(9,094)
<b>Addback of non-recurring items</b>		
Costs associated with restructure and management changes	606	614
Share-based payment with issuance of options	100	313
Legal and corporate advisory services	436	-
Bad debt expense	338	-
Finance expenses	73	-
<b>Normalised loss after income tax (Non statutory disclosure)</b>	<b>(5,438)</b>	<b>(8,167)</b>

'Normalised loss after income tax' in the table above is a non-IFRS standard term but is used by the Group to assist readers to better understand the financial performance of the underlying operating business. The normalisation is not subject to audit or review.

During FY24, the Group reported game revenue of \$5,102,224 down 26% from the previous years record high (FY23: \$6,931,554). This game revenue plus other income delivered total income of \$7,483,113. This total income reflected the Group's on-going development of projects with the support from key partners East Side Games Group ("ESGG"), Google and Spinmaster. Business development and new revenue opportunities hindered by the uncertainty faced by the Group during the year.

Whilst revenue was down operational costs were also down, declining 23% year on year with the on-going focus on operational excellence and streamlining activities. Due to a lack of working capital the Group was not able to accelerate the timing of the rightsizing initiative, negatively impacting the financial performance.

The second half of the year delivered transformative outcomes with key additions to the management team and Board backed by combined raises of \$8,398,998 in capital. This capital enabled an effective rightsizing of the business in May 2024 which will deliver \$2.1m of annualised costs savings, on top of on-going cost management protocols and efficient utilisation of developer resources on revenue generating projects. This completed the reset of the business.

### Significant changes in the state of affairs

During the reporting period, the following changes occurred within the Group:

#### (a) Senior Management Changes

- On 1 September 2023, Shane Yeend resigned as the Group's Chief Executive Officer. Simon Rabbitt was appointed to the role of Interim Chief Executive Officer on 6 October 2023
- On 15 March 2024, David Yin was appointed as the role of Chief Executive Officer with Simon Rabbitt returning to his role as CFO/COO

#### (b) Director Changes

- On 11 September 2023, Melanie Fletcher resigned as a Non-Executive Director.
- On 29 November 2023, Chair Michelle Guthrie was not reappointed as a Director of Mighty Kingdom subsequently stepping down on 6 December 2023.
- On 6 December 2023, Independent Non-Executive Director, David Butorac was appointed to the role of Chair and Philip Mayes rejoined the board as a Non-Executive Director.
- On 15 March 2024 Mark Aubrey and Chris Whiteman were appointed as Non-Executive Directors and Philip Mayes stepped down as Non-Executive Director.
- On 19 June 2024 David Yin was appointed to the role of Managing Director in addition to his on-going role as Chief Executive Officer

#### (c) Capital raising

On 17 October 2023, Mighty Kingdom announced a \$1.0 million placement with Sophisticated Investors to fund working capital requirements.

On 27 October 2023, Mighty Kingdom announced an additional capital raise placement of \$0.18 million, the bulk of the proceeds being taken up by Gamestar Studio's Pty Ltd ("Gamestar") following an application for securities received on the 24 October 2023.

On 15 March 2024 the Group announced it was raising \$6.2m at \$0.003 via an accelerated renounceable rights issue

- i. On 20 March 2024 the Group confirmed it had raised \$735,000 with the successful completion of the institutional offer of the accelerated renounceable rights issue
- ii. On 11 April 2024 the Group accepted applications for \$313,337 for shortfall securities applied for by eligible shareholders under the retail offer
- iii. On 17 April 2024 the Group announced the completion of the retail shortfall bookbuild raising \$5,195,662

On 24 April 2024 due to significant additional interest Mighty Kingdom announced an additional placement to sophisticated shareholders at the entitlements issue price of \$0.003 to raise a further \$1.98m

On 14 June an additional \$175,000 was accepted by the Company on the same terms as the additional placement as announced on the 24 April 2024.

#### **(d) Strategic Review**

On 17 October 2023, the Group announced it was undertaking a Strategic Review process. As part of this review process the Group was considering all options in respect of its business. Subsequently on the 29 December 2023 the Group advised it had entered into a Letter of Intent with a Consortium of Australia's top gaming executives. This agreement, which included exclusivity arrangements, paves the way for a multiyear strategic plan, capital raising and potential appointments to the Board and Management.

On 15 March the Group announced the transformation outcome from the Strategic Review with key additions to the management team and Board backed by a \$6.2m capital raise.

#### **(e) Buy Back Agreement**

On 15 December 2023, the Takeovers Panel accepted undertakings from the Group and Gamestar and entities controlled by Shane Yeend, to enter into a buy-back agreement for a selective buy-back of 59,657,143 shares held by Gamestar with the total consideration of the buyback \$1. The buyback agreement was signed by all parties on the 21 December 2023. The Group and Gamestar agreed to take all steps to complete the share buy-back under that agreement, including the Group seeking shareholder approval of the buy-back under the Corporations Act.

On 16 February 2024 the Group held an Extraordinary General Meeting for which shareholders voted in favour of the resolution. On 21 February 2024 the shares were cancelled.

#### **(f) Secured Loan**

On 29 December 2023, Mighty Kingdom entered into a secured convertible note arrangement with sophisticated and professional investors to raise \$726,000. The terms of the notes provided that the notes cannot be converted to fully paid ordinary shares unless shareholder approval is received. Accordingly, the notes were treated as a secured loan until such shareholder approval was received. The notes totalling \$726,000 were secured against the Group's Digital Games Tax Offset ("DGTO"). As at 30 June 2024 the secured convertible note arrangement matured and \$595,000 was repaid to holders with the remaining amount to be repaid in FY25, in accordance with the conditions of issue.

### **Share options**

As at 30 June 2024 there were 646,368,354 unissued ordinary shares under option. Refer to note 18 of the consolidated financial statements for further details of the Group's share-based payments. No shares were issued during or since the end of the financial year, through the exercise of options (2023: nil).

Details of the share options outstanding as at the end of the year are set out below:

Issue Date	Options	Expiry Date	Exercise Price \$	Options Outstanding
20 Nov 2020	Employee Share Option Plan ('ESOP')	20 Nov 2025	0.15	8,019,359
20 Nov 2020	Employee Share Option Plan ('ESOP')	20 Nov 2025	0.15	2,234,750
20 Nov 2020	Employee Share Option Plan ('ESOP')	20 Nov 2025	0.15	2,234,750
17 Feb 2021	Pre-IPO Placement	17 Feb 2026	0.15	1,261,400
17 Feb 2021	Pre-IPO Placement	17 Feb 2026	0.15	3,418,100
19 Dec 2022	Non-Executive Director	19 Dec 2025	0.035	4,000,000
19 Dec 2022	Non-Executive Director	19 Dec 2025	0.035	4,000,000
19 Dec 2022	Non-Executive Director	19 Dec 2025	0.035	4,000,000
29 Nov 2023	Employee Share Option Plan ('ESOP')	31 Dec 2025	0.040	4,000,000
29 Nov 2023	Employee Share Option Plan ('ESOP')	31 Dec 2025	0.040	3,200,000
14 Jun 2024	Employee Share Option Plan ('ESOP')	18 Jan 2028	0.015	5,000,000
14 Jun 2024	Employee Share Option Plan ('ESOP')	18 Jan 2028	0.015	10,000,000
14 Jun 2024	Non-Executive Director	14 Jun 2029	0.006	10,000,000
14 Jun 2024	Non-Executive Director	14 Jun 2029	0.006	10,000,000
14 Mar 2024 <sup>1</sup>	Broker short-dated	19 Aug 2025	0.004	225,000,000
14 Mar 2024 <sup>1</sup>	Broker long-dated	19 Aug 2029	0.006	349,999,995
				<b>646,368,354</b>

1. Granted but not yet issued at 30 June 2024.

### Events arising since the end of the reporting period

In the interval between the end of the financial year and the date of this report, the Directors note the following:

On 17 July 2024 the Group announced a consolidation of the issued shared capital of Mighty Kingdom Limited on the basis that every fifteen (15) fully paid ordinary share be consolidated into one (1) fully paid ordinary share. At a subsequent Extraordinary General Meeting held on 16 August 2024 shareholders approved the consolidation of capital. Similarly the number of options be consolidated on the same basis. The exercise price of the Options has not been amended in inverse proportion to the consolidation ratio. The consolidation process was completed on 30 August 2024.

The Company's post-consolidation capital structure is as follows:

Capital Structure Post-Consolidation	ASX Code	Securities on Issue
Ordinary Fully Paid Shares	MKL	216,063,408
Option Expiring 19-Nov-2025 EX \$2.25	MKLAG	148,984
Option Expiring 16-Feb-2026 EX \$2.25	MKLAF	311,968
Option Expiring 19-Nov-2025 EX \$2.25	MKLAE	683,608
Option Expiring 19-Dec-2025 EX \$0.525	MKLAH	800,001
Option Expiring 19-Aug-2025 EX \$0.06	MKLAM	15,000,000
Option Expiring 19-Aug-2029 EX \$0.09	MKLAN	23,333,333
Option Expiring 31-Dec-2025 EX \$0.60	MKLAJ	480,001
Option Expiring 14-Jun-2029 EX \$0.225	MKLAK	1,000,001
Option Expiring 14-Jun-2029 EX \$0.09	MKLAL	1,333,334

On 19 August 2024 the Group announced the resignation of its Chief Financial and Operating Officer (CFOO) Simon Rabbitt.

On 11 September 2024 Chief Technology Officer (CTO) Grant Osborne announced his resignation.

## Likely developments and expected results

The Group continues to drive outcomes and make decisions to deliver a sustainable business model. The Group will focus on enhancing existing games and deepening engagement with current revenue-generating clients in its drive to profitability, whilst continuing to explore strategic initiatives and partnerships.

## Indemnification and insurance

During the period, the Group paid a premium in respect of a contract to insure the Directors of the Group against a liability to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

## Environmental issues

The Group's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

## Proceedings on behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.



## (b) Remuneration governance and framework

### (i) Remuneration governance

The Nomination and Remuneration Committee is responsible for reviewing the remuneration arrangements for its Directors and Executives and making recommendations to the Board. The Nomination and Remuneration Committee has the following key functions:

#### **Nomination functions**

- Ensure that the Board is an appropriate size and collectively has the skills, commitment and knowledge of Mighty Kingdom and the industry in which it operates, to enable it to discharge its duties effectively and to add value.
- Ensure that appropriate Managing Director, Chief Executive Officer, senior executive, and Board evaluation occurs.
- Ensure that appropriate Managing Director, Chief Executive Officer, senior executive, and Board succession planning occurs.
- Lead searches for a new Chief Executive Officer and Board members.

#### **Remuneration functions**

- Ensure that Director remuneration is sufficient to attract and retain high quality directors, and is fair, and responsible.
- Ensure that Managing Director, Chief Executive Officer and senior executive remuneration is sufficient to attract, retain and motivate high quality personnel and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

The Board reviews and assesses the appropriateness of the remuneration on a periodic basis by reference to employment market conditions with the overall objective to ensure shareholder value and benefit from the recruitment and retention of a high-quality board and executive team.

Further information about remuneration framework and the relationship between remuneration policy and company performance is set out below.

The Board Charter and the Remuneration and Nomination Committee Charter, which outlines the terms of reference under which the Committee operates, are available at [www.mightykingdom.com/investors](http://www.mightykingdom.com/investors).

### (ii) Remuneration framework

Our remuneration framework enables us to attract and retain Executives and Directors who will create value for Shareholders. It aims to reward Executives with a level and mix of fixed and variable remuneration having consideration to the company size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The remuneration structure that has been adopted by the Group consists of the following components:

- Managing Director, Chief Executive Officer and senior executives
  - Annual base salary and superannuation
  - Performance based remuneration - monetary and non-monetary
  - Equity based remuneration - via an employee share and option scheme.

Executive remuneration comprises fixed remuneration (salary) and may include short-term and long-term incentive plan components. These are set with reference to the Company's performance and the market. Fixed remuneration, which reflects the individual's role and responsibility as well as their experience and skills, includes base pay and statutory superannuation. Remuneration at risk may be provided through short-term and long-term incentive plan components, linked to performance measured against operational and financial

targets set by the Company, designed to achieve operational and strategic targets for the sustainable growth of the Company and long-term shareholder value.

### **Short-term incentive program**

On 25 August 2021, Mighty Kingdom Limited's Board approved the Short-term incentives ("STI") program. The program is designed to align the targets of the business with the performance hurdles of the Company. The purpose of the STI plan is to reward and encourage high levels of performance, as well as being a part of Mighty Kingdom's employer value proposition as well as a retention and talent attraction tool. STI payments are granted to all eligible employees based on specific annual financial targets being achieved and a Company Scorecard being measured.

Executives and Departmental Managers will have their own incentive scorecard, uniquely weighted depending on each position's focus and accountabilities. All other employees will have their STI payment determined by achievements against the Company Scorecard, as well as considering their own personal performance and contribution.

### **Relationship between remuneration and group performance**

The Board aims to align executive remuneration to the Company's strategic and business objectives and the creation of shareholder wealth.

The remuneration of Non-Executive Directors is decided by the Board, without the affected Non-Executive Director participating in that decision-making process.

- Non-Executive Directors
  - Annual fees
  - Equity based remuneration - issues of shares or other securities.

Each of the Non-Executive Directors has entered into an appointment letter with Mighty Kingdom, confirming the terms of their appointment and their roles and responsibilities.

Non-Executive Directors receive a fixed fee for their participation on the Board. No additional fee is paid for service on Board sub-committees. Fees for Non-Executive Directors are not linked to the performance of the Group, other than participation in share options (refer to section (d) share based remuneration).

The determination of Non-Executive Directors' remuneration within that maximum cap will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director. The current amount has been set at an amount not to exceed \$600,000 per annum.

In addition, subject to any necessary Shareholder approval, a director may be paid fees or other amounts as the Directors determine, where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director.

Non-Executive Director remuneration is reviewed annually at the discretion of the Board but will not exceed (in aggregate) the amount set by a resolution of Shareholders.

### **(iii) Service agreements**

Remuneration and other terms of employment for the Executive and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Executive Officers	Position	Base Salary excl superannuation (\$)	Notice Period By Company	Termination By Executive
David Yin	Executive Director	300,000	3 months	3 months
Simon Rabbitt	Chief Finance and Operating Officer	300,000	6 months	6 months
Tony Lawrence <sup>1</sup>	Chief Revenue Officer	250,000	4 weeks	4 weeks
Grant Osborne	Chief Technology Officer	200,000	3 months	3 months
Ella Macintyre <sup>2</sup>	Chief Product Officer	170,000	4 weeks	4 weeks
Shane Yeend <sup>3</sup>	Chief Executive Officer	1	12 weeks	12 weeks

<sup>1</sup> Resigned on 7 April 2024.

<sup>2</sup> Resigned on 2 January 2024..

<sup>3</sup> In addition to base salary. 12,000,000 options to be granted with an exercise price of \$0.08 and an expiry period of 2 years from date of issue. Of the 12,000,000, 6,000,000 options were to vest immediately and the other 6,000,000 options vesting over 18 months following the grant, of which 2,000,000 vesting every 6 months until all are granted. These options intended to be granted under the CEO's Independent Contractor Agreement were subject to shareholder approval at the next general meeting. As a result of the resignation of Shane Yeend as CEO on 1 September 2023, none of these options were issued.

### (c) Details of remuneration

#### (i) Director and KMP remuneration

Executive KMP remuneration outcomes are determined by the Board. Nomination Committee reviews and recommends Executive remuneration outcomes to the Board with reference to capability, experience, market movements, the remuneration principles, individual and the Group's performance.

Refer to table on next page. Note references below:

1. Net movement in annual leave provision for the year.
2. Net movement in the long service leave provision for the year.
3. Value of options recognised in the statement of comprehensive income.
4. FY23 remuneration represented from 15 March 2024 to 30 June 2024
5. FY23 remuneration represented from 1 July 2022 to 18 January 2023. Resigned 18 January 2023.
6. Termination lump sum in accordance with termination agreement executed on 18 January 2023.
7. FY24 remuneration represented from 1 July 2023 to 6 December 2023. Resigned 6 December 2023
8. FY23 remuneration represented from 4 August 2022 to 30 June 2023.
9. FY23 remuneration represented from 4 August 2022 to 30 June 2023.
10. FY24 remuneration represented from 15 March 2024 to 30 June 2024.
11. FY24 remuneration represented from 15 March 2024 to 30 June 2024.
12. FY23 remuneration represented from 4 August 2022 to 30 June 2023. FY24 remuneration represented from 1 July 2023 to 11 September 2023.
13. FY24 remuneration represented from 6 December 2023 to 15 March 2024. Resigned 15 March 2024.
14. FY23 remuneration represented from 1 July 2022 to 31 January 2023.
15. FY 24 remuneration represented from 1 July 2023 to 31 July 2023. Resigned 31 July 2023.
16. FY23 remuneration represented from 3 May 2023 to 30 June 2023. Resigned 1 September 2023 and options forfeited.
17. FY23 remuneration represented from 1 July 2022 to 28 December 2022.
18. FY24 remuneration represented from 1 July 2023 to 2 January 2024.
19. FY23 remuneration represented from 18 January 2023 to 30 June 2023. The cash bonus was dependent on meeting defined performance measures for the FY24 financial year, the amount of the bonus was determined having regard to the satisfaction of the performance measures and their individual weighting as determined by the Board. The bonus reflects successful completion of 47% of the total maximum bonus. The performance measures are not publicly disclosed due to their commercial sensitivity.
20. FY24 Remuneration represented from 1 July 2023 to 7 April 2024.

		Short-term employment benefits			Post-employment benefits	Long term benefits	Share-based payments	Termination Benefits	Total	Perform
		Base salary and fees	Annual leave <sup>1</sup>	Bonus	Super-annuation	Long service leave <sup>2</sup>	Options			ance related
<b>Executive Directors</b>		\$	\$	\$	\$	\$	\$	\$	\$	%
David Yin <sup>4</sup>	2024	81,923	9,922	-	9,012	56	3,518	-	<b>104,431</b>	-
	2023	-	-	-	-	-	-	-	-	-
Philip Mayes <sup>5,6</sup>	2024	-	-	-	-	-	-	-	-	-
	2023	200,072	(32,394)	-	21,008	4,496	-	150,000	<b>343,182</b>	-
<b>Non-Executive Directors</b>										
Michelle Guthrie <sup>7</sup>	2024	52,083	-	-	5,990	-	-	-	<b>58,073</b>	-
	2023	125,000	-	-	13,125	-	-	-	<b>138,125</b>	-
David Butorac <sup>8</sup>	2024	94,032	-	-	-	-	-	-	<b>94,032</b>	-
	2023	55,000	-	-	-	-	77,000	-	<b>132,000</b>	-
Ian Hogg <sup>9</sup>	2024	60,000	-	-	-	-	-	-	<b>60,000</b>	-
	2023	55,000	-	-	-	-	77,000	-	<b>132,000</b>	-
Chris Whiteman <sup>10</sup>	2024	17,500	-	-	-	-	25,488	-	<b>42,988</b>	-
	2023	-	-	-	-	-	-	-	-	-
Mark Aubrey <sup>11</sup>	2024	17,500	-	-	-	-	25,488	-	<b>42,988</b>	-
	2023	-	-	-	-	-	-	-	-	-
Melanie Fletcher <sup>12</sup>	2024	10,000	-	-	-	-	-	-	<b>10,000</b>	-
	2023	55,000	-	-	-	-	77,000	-	<b>132,000</b>	-
Philip Mayes <sup>13</sup>	2024	16,500	-	-	-	-	-	-	<b>16,500</b>	-
	2023	-	-	-	-	-	-	-	-	-
Megan Brownlow <sup>14</sup>	2024	-	-	-	-	-	-	-	-	-
	2023	35,000	-	-	3,675	-	-	-	<b>38,675</b>	-
Gabriele Famous <sup>15</sup>	2024	5,000	-	-	575	-	-	-	<b>5,575</b>	-
	2023	60,000	-	-	6,300	-	-	-	<b>66,300</b>	-
<b>Other Key Management Personnel</b>										
Shane Yeend <sup>16</sup>	2024	-	-	-	-	-	(11,493)	-	<b>(11,493)</b>	-
	2023	1	-	-	-	-	11,493	-	<b>11,493</b>	-
Amy Guan <sup>17</sup>	2024	-	-	-	-	-	-	-	-	-
	2023	119,077	8,733	-	12,503	-	-	-	<b>140,313</b>	-
Ella Macintyre <sup>18</sup>	2024	162,350	(31,753)	-	10,069	(48,058)	-	-	<b>92,609</b>	-
	2023	170,654	3,268	-	17,919	10,649	-	-	<b>202,490</b>	-
Simon Rabbitt <sup>19</sup>	2024	285,962	16,324	70,000	31,456	1,423	3,148	-	<b>408,313</b>	17%
	2023	113,462	4,290	-	11,914	122	39,295	-	<b>169,082</b>	-
Grant Osborne	2024	203,846	2,820	-	22,423	3,044	-	-	<b>232,132</b>	-
	2023	200,000	4,319	-	21,000	226	31,436	-	<b>256,981</b>	-
Tony Lawrence <sup>20</sup>	2024	265,092	(31,002)	-	22,211	(18,786)	-	-	<b>237,515</b>	-
	2023	250,962	(12,789)	-	28,300	(4,321)	-	-	<b>262,152</b>	-
<b>Total KMP</b>	<b>2024</b>	<b>1,271,788</b>	<b>(33,688)</b>	<b>70,000</b>	<b>101,736</b>	<b>(62,321)</b>	<b>46,149</b>	<b>-</b>	<b>1,393,663</b>	
	<b>2023</b>	<b>1,439,228</b>	<b>(24,573)</b>	<b>-</b>	<b>135,743</b>	<b>11,172</b>	<b>313,224</b>	<b>150,000</b>	<b>2,024,794</b>	

## (d) Share based remuneration

The key terms and conditions of the grant of share options affecting the remuneration of Directors and KMP in the current and future reporting periods are as follows.

	Number granted	Grant date	Term escrowed (months)	Value per option at grant date (\$)	Value of options at grant date (\$)	Vesting date	Exercise date	Expiry date	Exercise price (\$)
<b>Executive Director</b>									
David Yin <sup>1</sup>	2,500,000	15-Mar-24	-	0.0023	5,760	14-Jun-25	14-Jun-25	14-Jun-29	0.015
	2,500,000	15-Mar-24	-	0.0023	5,760	14-Jun-26	14-Jun-26	14-Jun-29	0.015
	2,500,000	15-Mar-24	-	0.0023	5,760	14-Jun-27	14-Jun-27	14-Jun-29	0.015
	2,500,000	15-Mar-24	-	0.0023	5,760	14-Jun-28	14-Jun-28	14-Jun-29	0.015
<b>Non-Executive Directors</b>									
David Butorac <sup>1</sup>	4,000,000	19-Dec-22	-	0.019	77,000	19-Dec-22	19-Dec-22	19-Dec-25	0.035
Ian Hogg <sup>1</sup>	4,000,000	19-Dec-22	-	0.019	77,000	19-Dec-22	19-Dec-22	19-Dec-25	0.035
Melanie Fletcher <sup>1</sup>	4,000,000	19-Dec-22	-	0.019	77,000	19-Dec-22	19-Dec-22	19-Dec-25	0.035
Chris Whiteman <sup>1</sup>	10,000,000	24-Mar-24	-	0.0025	25,488	14-Jun-24	14-Jun-24	14-Jun-29	0.006
Mark Aubrey <sup>1</sup>	10,000,000	24-Mar-24	-	0.0025	25,488	14-Jun-24	14-Jun-24	14-Jun-29	0.006
<b>Other KMP</b>									
Simon Rabbitt <sup>1</sup>	1,250,000	14-Jun-24	-	0.0023	2,880	18-Jan-24	18-Jan-24	18-Jan-28	0.015
	1,250,000	14-Jun-24	-	0.0023	2,880	18-Jan-25	18-Jan-25	18-Jan-28	0.015
	1,250,000	14-Jun-24	-	0.0023	2,880	18-Jan-26	18-Jan-26	18-Jan-28	0.015
	1,250,000	14-Jun-24	-	0.0023	2,880	18-Jan-27	18-Jan-27	18-Jan-28	0.015
	4,000,000	28-Jun-23	-	0.010	39,295	28-Jun-23	28-Jun-23	31-Dec-25	0.04
Grant Osborne <sup>1</sup>	3,200,000	28-Jun-23	-	0.010	31,436	28-Jun-23	28-Jun-23	31-Dec-25	0.04
Ella Macintyre	2,234,750	20-Nov-20	24	0.10	227,945	21-Apr-21	21-Apr-21	20-Nov-25	0.15
Tony Lawrence	8,019,359	20-Nov-20	24	0.10	817,975	21-Apr-21	21-Apr-21	20-Nov-25	0.15

1. These options have been granted without performance conditions to attract appropriate talent to the role and to align management's interests with those of the shareholders.

2. On 17 July 2024 the Group announced a consolidation of the issued shared capital of Mighty Kingdom Limited on the basis that every fifteen (15) fully paid ordinary share be consolidated into one (1) fully paid ordinary share. Similarly the number of options be consolidated into one (1) option. The exercise price of the options has now been amended in inverse proportion to the consolidation ratio. The consolidation process was completed on 30 August 2024.

**(e) Other information****(i) Shareholdings of key management personnel**

	Balance at 1 July 2023	Acquired/(disposed) during the year	Other movements	Balance at 30 June 2024
<b>Executive Directors</b>				
David Yin <sup>8</sup>	-	33,333,333	-	33,333,333
<b>Non-Executive Directors</b>				
Michelle Guthrie <sup>2,7</sup>	14,198,843	91,666,667	(105,865,510)	-
Gabriele Famous <sup>3,7</sup>	571,429	-	(571,429)	-
David Butorac	-	-	-	-
Ian Hogg	-	-	-	-
Philip Mayes <sup>4,7</sup>	52,928,571	11,666,665	(64,595,236)	-
Melanie Fletcher	-	-	-	-
Chris Whiteman <sup>9</sup>	-	15,000,000	-	15,000,000
Mark Aubrey <sup>10</sup>	-	13,333,333	-	13,333,333
<b>Other KMP</b>				
Ella Macintyre	-	-	-	-
Shane Yeend <sup>5,7</sup>	116,610,908	(108,726,441)	(7,884,467)	-
Simon Rabbitt <sup>11</sup>	-	8,166,667	-	8,166,667
Grant Osborne <sup>12</sup>	-	1,666,667	-	1,666,667
Tony Lawrence <sup>6,7,13</sup>	352,380	650,000	(1,002,380)	-
<b>Total</b>	<b>184,662,131</b>	<b>66,756,891</b>	<b>(179,919,022)</b>	<b>71,500,000</b>

1. On 17 July 2024 the Group announced a consolidation of the issued shared capital of Mighty Kingdom Limited on the basis that every fifteen (15) fully paid ordinary share be consolidated into one (1) fully paid ordinary share. Similarly the number of options be consolidated on the same basis. The consolidation process was completed on 30 August 2024.

2. Not reappointed 6 December 2023. Shares acquired in institutional offer of the accelerated renounceable rights issue announced on 20 March 2024

3. Resigned 31 July 2023.

4. Appointed 6 December 2023. Resigned 15 March 2024. Shares acquired in institutional offer of the accelerated renounceable rights issue announced on 20 March 2024

5. Resigned 1 September 2023.

6. Resigned 7 April 2024.

7. Other movements represent shareholdings at the time of their resignation

8. Shares acquired in retail shortfall bookbuild announced on 17 April 2024.

9. Shares acquired in additional placement announced on 24 April 2024 and subsequently approved by shareholders at Extraordinary General Meeting held on 31 May 2024.

10. Shares acquired in additional placement announced on 24 April 2024 and subsequently approved by shareholders at Extraordinary General Meeting held on 31 May 2024.

11. Shares acquired in \$1.0m placement announced on 17 October 2024 and additional placement announced on 24 April 2024

12. Shares acquired in additional placement announced on 24 April 2024.

13. Shares acquired in \$1.0m placement announced on 17 October 2024.

## (ii) Option holdings of key management personnel

	Balance at 1 July 2023	Granted	Expired/forfeited	Other movements	Balance at 30 June 2024
<b>Executive Directors</b>					
David Yin	-	10,000,000	-	-	10,000,000
<b>Non-Executive Directors</b>					
Michelle Guthrie	649,252	-	(649,252)	-	-
Gabriele Famous	486,939	-	(486,939)	-	-
David Butorac	4,000,000	-	-	-	4,000,000
Ian Hogg	4,000,000	-	-	-	4,000,000
Philip Mayes	-	-	-	-	-
Melanie Fletcher <sup>2,5</sup>	4,000,000	-	-	(4,000,000)	-
Chris Whiteman	-	10,000,000	-	-	10,000,000
Mark Aubrey	-	10,000,000	-	-	10,000,000
<b>Other KMP</b>					
Ella Macintyre <sup>3,5</sup>	2,234,750	-	-	(2,234,750)	-
Shane Yeend	-	-	-	-	-
Simon Rabbitt	4,000,000	5,000,000	-	-	9,000,000
Grant Osborne	3,200,000	-	-	-	3,200,000
Tony Lawrence <sup>4,5</sup>	8,019,359	-	-	(8,019,359)	-
<b>Total</b>	<b>30,590,300</b>	<b>35,000,000</b>	<b>(1,136,191)</b>	<b>(14,254,109)</b>	<b>50,200,000</b>

1. On 17 July 2024 the Group announced a consolidation of the issued shared capital of Mighty Kingdom Limited on the basis that every fifteen (15) fully paid ordinary share be consolidated into one (1) fully paid ordinary share. Similarly the number of options be consolidated into one (1) option. The consolidation process was completed on 30 August 2024.

2. Resigned 11 September 2023.

3. Resigned 2 January 2024.

4. Resigned 7 April 2024.

5. Other movements represent the number of Options held at their resignation date

Details of options granted during the period:

	David Yin Options	Simon Rabbit Options	Chris Whiteman Options	Mark Aubrey Options
<b>Grant Date</b>	15 Mar 2024	14 Jun 2024	24 Mar 2024	24 Mar 2024
<b>Issue Date</b>	14 Jun 2024	14 Jun 2024	14 Jun 2024	14 Jun 2024
<b>Vesting Date</b>	14 Jun 2024 <sup>1</sup>	14 Jun 2024 <sup>2</sup>	14 Jun 2024	14 Jun 2024
<b>Expiry Date</b>	14 Jun 2029	14 Jun 2029	14 Jun 2029	14 Jun 2029
<b>Share price at grant date (\$)</b>	0.004	0.004	0.003	0.003
<b>Forecast volatility (%)<sup>1</sup></b>	100.80	106.06	139.54	139.54
<b>Time to expiration (years)</b>	5	5	5	5
<b>Number of units</b>	10,000,000	5,000,000	10,000,000	10,000,000
<b>Valuation (per option)</b>	0.0023	0.0021	0.0025	0.0025
<b>Total valuation (\$)</b>	23,042	10,476	25,488	25,488

1. 10,000,000 options to vest equally (2,500,000 per period) on the anniversary date of employment.

2. 5,000,000 options to vest equally (1,250,000 per period) on the anniversary date of employment.

## (iii) Other transactions with Directors and KMP

Nil.

## END OF REMUNERATION REPORT

### Non-Audit Services

There were no non-audit services provided during the financial year.

### Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 22 of this financial report and forms part of this Directors' Report.

Signed by Chair



27 September 2024  
David Butorac

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## Auditor's Independence Declaration

### To the Directors of Mighty Kingdom Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Mighty Kingdom Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 27 September 2024

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
Revenue	3	5,102,224	6,931,554
Other income	4	2,380,909	2,918,500
Employee benefits expenses	5	(10,216,566)	(14,426,218)
Share-based payment expenses	18	(100,160)	(313,223)
Product development support service fees		(723,985)	(976,732)
Selling costs		-	(44,643)
Administrative expenses		(1,771,727)	(1,791,651)
Professional and consultancy fees		(392,361)	(352,258)
Legal fees		(316,406)	(99,392)
Depreciation and amortisation		(469,545)	(659,263)
Bad debt expense		(337,694)	-
Other expenses		(1,446)	(40,985)
<b>Loss from operations</b>		<b>(6,846,757)</b>	<b>(8,854,311)</b>
Finance expenses		(187,796)	(31,752)
Finance income		42,692	15,127
<b>Loss before income tax</b>		<b>(6,991,861)</b>	<b>(8,870,936)</b>
Income tax (expense) / benefit	6	-	(222,692)
<b>Loss after income tax</b>		<b>(6,991,861)</b>	<b>(9,093,628)</b>
Other comprehensive income / (loss) for the year, net of income tax		-	-
<b>Total comprehensive loss for the year</b>		<b>(6,991,861)</b>	<b>(9,093,628)</b>
<b>Loss per share - basic and diluted</b>	16	<b>(0.01)</b>	<b>(0.03)</b>

The accompanying notes form part of these financial statements.

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### AS AT 30 JUNE 2024

	Notes	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	3,366,636	301,785
Trade and other receivables	8	2,539,045	6,408,307
Prepayments		427,379	437,999
Contract assets	13	86,183	350,508
Other current assets		454	272,138
<b>Total current assets</b>		<b>6,419,697</b>	<b>7,770,736</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	139,803	553,772
Right-of-use assets	10	-	244,076
<b>Total non-current assets</b>		<b>139,803</b>	<b>797,848</b>
<b>Total assets</b>		<b>6,559,500</b>	<b>8,568,584</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	2,722,047	2,537,756
Contract liabilities	13	121,180	638,216
Employee benefits	14	589,160	1,027,323
Lease liabilities	10	-	264,942
<b>Total current liabilities</b>		<b>3,432,387</b>	<b>4,468,237</b>
<b>Non-current liabilities</b>			
Trade and other payables	12	-	547,146
Employee benefits	14	197,282	299,533
<b>Total non-current liabilities</b>		<b>197,282</b>	<b>846,680</b>
<b>Total liabilities</b>		<b>3,629,669</b>	<b>5,314,916</b>
<b>Net assets</b>		<b>2,929,831</b>	<b>3,253,668</b>
<b>Equity</b>			
Share capital	15	40,428,489	35,211,572
Share-based payment reserves	17	3,288,194	1,837,087
Retained losses		(40,786,852)	(33,794,991)
<b>Total equity</b>		<b>2,929,831</b>	<b>3,253,668</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Share capital	Share- based payment reserve	Retained losses	Total
Notes	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	<b>28,462,886</b>	<b>1,523,864</b>	<b>(24,701,363)</b>	<b>5,285,387</b>
Loss for the year	-	-	(9,093,628)	(9,093,628)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(9,093,628)</b>	<b>(9,093,628)</b>
<b>Transactions with owners in their capacity as owners:</b>				
- Proceeds from issue of ordinary shares	4,692,000	-	-	4,692,000
- Shares issued related party	2,288,000	-	-	2,288,000
- Transaction costs	(231,314)	-	-	(231,314)
- Share based payments	-	313,223	-	313,223
<b>Balance at 30 June 2023</b>	<b>35,211,572</b>	<b>1,837,087</b>	<b>(33,794,991)</b>	<b>3,253,668</b>
Loss for the period	-	-	(6,991,861)	(6,991,861)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(6,991,861)</b>	<b>(6,991,861)</b>
<b>Transactions with owners in their capacity as owners:</b>				
- Proceeds from issue of ordinary shares	9,340,529	-	-	9,340,529
- Transaction costs	(2,035,612)	-	-	(2,035,612)
- Share based payments	-	1,462,589	-	1,462,589
- Forfeiture of options	-	(11,482)	-	(11,482)
- Share buy-back	(2,088,000)	-	-	(2,088,000)
<b>Balance at 30 June 2024</b>	<b>40,428,489</b>	<b>3,288,194</b>	<b>(40,786,852)</b>	<b>2,929,831</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 \$	2023 \$
<b>Operating activities</b>			
Receipts from customers		5,246,853	7,296,368
Payments to suppliers and employees		(14,077,844)	(17,587,114)
Research and development incentive		1,892,011	2,325,362
Other government grant income		1,467,004	673,326
Other income		-	(79,127)
Interest received		42,692	15,127
Interest paid		(174,696)	(4,581)
<b>Net cash (used in) operating activities</b>	<b>20</b>	<b>(5,603,980)</b>	<b>(7,360,639)</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(13,120)	(21,544)
Proceeds from sale of property, plant and equipment		106,019	-
<b>Net cash (used in) investing activities</b>		<b>92,899</b>	<b>(21,544)</b>
<b>Financing activities</b>			
Proceeds from issue of shares		9,340,529	4,692,000
Transaction costs related to the shares issued		(630,655)	(307,033)
Net proceeds from borrowings		131,000	-
Principal elements of lease payments		(264,942)	(455,466)
<b>Net cash provided by financing activities</b>		<b>8,575,932</b>	<b>3,929,501</b>
<b>Net change in cash and cash equivalents held</b>		<b>3,064,851</b>	<b>(3,452,682)</b>
Cash and cash equivalents at beginning of the year		301,785	3,754,467
<b>Cash and cash equivalents at end of year</b>	<b>7</b>	<b>3,366,636</b>	<b>301,785</b>

The accompanying notes form part of these financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

## 1 General information

**Mighty Kingdom Limited** (the Company) is a for profit company incorporated and domiciled in Australia and limited by shares which are publicly traded on the Australian Securities Exchange (ASX: MKL).

The Group's principal activities are developing a broad portfolio of video games for console, PC and mobile platforms. Mobile games and apps developed and/or published by the Group are made available for customers on different app stores, including Apple's App Store, Google's Google Play and Valve's Steam Store. In addition to receiving fees for development work from clients, the Group monetises its games and apps through In-App purchases and advertising offered to the consumers within games and apps for smartphones and tablets.

### 1.1 Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, for the year ended 30 June 2024, the Group was in a net asset position of \$2.9m having made a loss of \$7.0m (2023: loss of \$9.1m) and had cash outflows from operating activities of \$5.6m (2023: cash outflows of \$7.4m).

The Directors have approved a cashflow forecast for approximately 12 months, including related assumptions, which indicate the Group has the ability to continue as a going concern. In forming this view, the Directors note the following:

- Successfully executing on-going contracts with existing key clients.
- The Group to continue to implement cost control measures including maximising the utilisation of developer resources on revenue generating projects. The cashflow forecast incorporates the cost of anticipated restructure costs to achieve this.
- The Group continues to meet the repayment plan with the Australian Tax Office (as outlined within Note 12).

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

In the event that the Group is unsuccessful in implementing one or more of the options listed above, such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

## 2.1 Summary of material accounting policies

### (a) Basis of preparation of the financial report

The financial report includes the consolidated financial statements and notes of Mighty Kingdom Limited and Controlled Entities (Consolidated Group or Group).

These financial statements are consolidated financial statements that have been prepared in accordance with Australian Accounting Standards (AASBs) and interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for for-profit orientated entities. Mighty Kingdom Limited is a for-profit entity for the purpose of preparing the financial statements. The Group's financial statements have been prepared on an accrual basis and under the historical cost conventions.

### (b) Basis of consolidation

The consolidated financial statements incorporate all the assets, liabilities and results of the parent (Mighty Kingdom Limited) and all the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 11.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit and loss and other comprehensive income.

### (c) Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and

liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled, and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists, and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(d) Tax consolidation**

Mighty Kingdom Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Mighty Kingdom Limited and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Mighty Kingdom Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. The Group has notified the Australian Tax Office that it has formed an income tax consolidation group to apply from 1 July 2020. The Group has not entered into any tax sharing or funding agreements.

**(e) Fair value of assets and liabilities**

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e., unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**(f) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost, less, where applicable, any accumulated depreciation and impairment losses.

**(i) Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable

amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 2.1 (j) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

**(ii) Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Asset category</b>	<b>Useful life</b>	<b>Depreciation rate</b>
Office equipment	5 Years	20%
Motor vehicle	4 Years	25%
Leasehold improvements	Term of lease	Useful life apportioned over remaining period

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised.

**(g) Leases**

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Subsequently, the lease liability is measured by a reduction to the carrying amount of any payments made and an increase to reflect any interest on the lease liability.

The right-of-use assets is an initial measurement of the corresponding lease liability less any incentives and initial direct costs. Subsequently, the measurement is the cost less accumulated depreciation (and impairment if applicable). Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**(h) Intangible assets**  
***Internally developed game and software***

Expenditure on the research phase of projects to develop game and software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet all of the following recognition requirements:

1. the development costs can be measured reliably;
2. the project is technically and commercially feasible;
3. the Group intends to and has sufficient resources to complete the project;
4. the Group has the ability to use or sell the game and software; and
5. the game and software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on game and software development, development support service fees, along with an appropriate portion of relevant overheads.

**(i) Financial instruments**

**(i) *Initial recognition and measurement***

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted). Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15. A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

**(ii) *Classification and subsequent measurement***  
**Financial liabilities**

Financial instruments are subsequently measured at:

- amortised cost.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is,

it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

### **Financial assets**

Financial assets are subsequently measured at:

- amortised cost.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

### **Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

#### **Derecognition of financial liabilities**

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### **Derecognition of financial assets**

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

### **(j) Impairment of financial assets**

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost; or
- contract assets.

### **(k) Impairment of non-financial assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset,

being the higher of the asset's fair value less costs of disposal and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## **(l) Employee benefits**

### **Short-term employee benefits**

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

### **Other long-term employee benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage assumptions for other long term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

## **(m) Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## **(n) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

## **(o) Revenue**

Revenue arises mainly from the development of the interactive entertainment software products, online game services, online advertising services, and licensing services. The core principle of AASB 15 is that revenue from contracts is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identifying the contract with customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when / as performance(s) obligations are met.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at point in time or over time. When (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than passage of time required before the consideration is due.

**(i) Work for hire revenue**

Work for hire contract is assessed using the five-step method above, with the fair value of revenue allocated against the performance obligations in the contract. Revenue is brought to account at a point of time or on a percentage completion basis as services are provided, depending on the performance obligations which are milestone based. Revenue related to milestones is recognised in accordance with an input method, being hours incurred. Revenue invoiced for incomplete performance obligations is recognised on a percentage of completion basis and is recognised as a liability in contract liabilities.

**(ii) Co-development revenue**

The Group shares the development costs with game publishers and other game developers in Co-development projects. Co-development revenue generally has two elements, contracted revenue and variable revenue. Contracted revenue is where the transaction price for the performance obligations is fixed. This revenue is brought to account at a point of time or on a percentage completion basis as services are provided, depending on the performance obligations which are milestone based. Variable revenue such as royalties, is recognised as the Group becomes entitled to such variable revenue per contractual entitlements at a point in time.

**(iii) Original IP revenue**

Where the Group funds its own development of its Original-IP and retains legal title to such IP, it will earn game revenues or similar income derived by in-app purchases, in game advertising and subscription fees. The Group may, at times, license such IP to clients with a view to maximising game revenues. Revenue from original IP games is recognised at a point in time.

**(iv) License revenue**

License revenue is generated when the Group obtains a license from a licensor with a right to monetise the client's intellectual property through game development. The game will earn revenues or similar income derived by in-app purchases, in game advertising and subscription fees. License revenue is recognised at a point in time.

**(p) Other income**

**(i) Other income**

Other income is recognised when it is received or when the right to receive payment is established.

**(ii) Government grant income**

Government grants, including non-monetary grants at fair value, are only recognised when there is reasonable assurance that:

- all conditions attaching to the Government grant will be complied with;
- the value of the grant can be determined with reasonable certainty; and
- the grant will be received.

Government grants are recognised in the profit or loss over the periods in which the Group recognises related expenses. Where government grants relate to costs which have been capitalised as non-current assets these are recognised as a reduction to the related non-current

asset in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

**(q) Foreign currency**

Transactions in foreign currencies are translated to the respective functional currencies of the entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currencies at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year adjusted for payments during the year and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

The assets and liabilities of foreign operations are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates on the dates of the transactions. Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve, in equity. If the foreign operation is not a wholly owned controlled entity, then the relevant proportion of the translation difference is allocated to non-controlling interests. Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

**(r) Trade and other receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses.

**(s) Trade and other payables**

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(t) Share Capital**

Ordinary shares, and preference shares which do not result in the Group having a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable to the Group, are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(u) Share-based payments**

Equity-settled share-based compensation benefits are provided to employees and directors. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees and directors in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Judgements are also applied in relation to estimations of the number of options which are expected to vest, by reference to historic attrition rates and expected outcomes under relevant performance conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods. Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

**(v) Segmental reporting**

The Group reports its business activities in one area: video games development, which is reported in a manner consistent with the internal reporting to the Board of Directors, which has been identified as the chief operating decision maker. The Board of Directors consists of the Executive Directors and the Non-Executive Directors.

**(w) Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(x) Critical accounting estimates and judgements**

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

**(i) Research and development incentive**

Research and development incentive is recognised at fair value when there is reasonable assurance that the income will be received. The expected future R&D tax incentive, for qualifying R&D expenditure for the current financial year, has been accrued and is also recognised as other income in the statement of profit and loss. It has been established that the conditions of this future R&D incentive have been met and that the expected amount of the incentive can be reliably measured.

**(ii) Digital Games Tax Offset**

The Digital Games Tax Offset (DGTO) is recognised at fair value when there is reasonable assurance that the income will be received. The expected future tax offset, for qualifying DGTO expenditure for the current financial year, has been accrued and is also recognised as other income in the statement of profit and loss. It has been established that the conditions of this future tax offset have been met and that the expected amount of the incentive can be reliably measured.

**(iii) Recoverability of trade and other receivables**

Trade and other receivables are reviewed on a regular basis to assess whether there is any impairment risk of a balance not being recoverable, that would give rise to an expected credit loss. The assessment assumptions include recent sales experience and historical collection rates.

## 2.2 New accounting standards and interpretations adopted during the year

The new and amended accounting standards, and interpretations which came into effect on 1 July 2023 do not have impact to the Group's financial statements.

The 30 June 2024 financial statements, and respective notes to the financial statements have been prepared in accordance with the new and amended accounting standards. The accounting policies in the notes below have also been updated to reflect the new and amended accounting standards in effect during the period.

## 2.3 Standards issued but not yet effective

There are a number of new accounting standards and amendments issued, but not yet effective, none of which have been early adopted by the Group in this Financial Report. The new standards and amendments, when applied in future periods, are not expected to have a material impact on the financial position of the Group.

## 3 Revenue

	2024 \$	2023 \$
Original IP – Royalty Income	-	7,343
External IP – Contract Income	3,861,091	5,669,580
External IP – Royalty Income	1,241,133	1,254,631
	<b>5,102,224</b>	<b>6,931,554</b>
Recognised over time	5,102,224	6,931,554
Point in time	-	-
	<b>2024 \$</b>	<b>2023 \$</b>
Co-development and License	1,886,370	2,216,933
Original IP	-	7,343
Work for hire	3,215,854	4,707,278
	<b>5,102,224</b>	<b>6,931,554</b>

## 4 Other income

	2024 \$	2023 \$
Government grant income		
- SA video game development grant <sup>(i)</sup>	353,844	504,658
- Digital Games Tax Offset <sup>(ii)</sup>	1,190,509	674,572
Research and development tax incentive <sup>(iii)</sup>	789,123	1,739,270
Other income	47,433	-
	<b>2,380,909</b>	<b>2,918,500</b>

- (i) SA video game development grant enables video games studios to claim a percentage of costs incurred to develop a video game in South Australia. This rebate is administered by the South Australian Film Corporation and will be paid by the South Australian Government during the next financial year.
- (ii) The Digital Games Tax Offset (DGTO) is a refundable tax offset which allows eligible Australian companies that develop digital games to claim a percentage of their qualifying costs as a tax offset or tax refund.
- (iii) The Research and Development tax incentive is a government program that aims to stimulate Australian investment in research and development ("R&D"). The tax incentive reduces company R&D costs by offering tax offsets or tax refund for eligible R&D expenditure.

## 5 Employee benefit expenses

	2024 \$	2023 \$
Wages and salaries	9,306,254	12,629,983
Contributions to defined contribution superannuation funds	951,410	1,231,111
Annual and long service leave provision movement	(540,414)	(131,564)
Payroll tax expense	484,488	657,062
Other employee benefits	14,829	39,626
	<b>10,216,566</b>	<b>14,426,218</b>

## 6 Income tax (benefit) / expense

	2024 \$	2023 \$
The components of income tax expense comprise:		
Current tax expense	-	-
Deferred tax expense / (benefit)	-	222,692
Under provision from prior year	-	-
	<b>-</b>	<b>222,692</b>

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

<b>Loss before income tax expense</b>	<b>(6,991,861)</b>	<b>(8,870,936)</b>
Tax at the statutory tax rate of 25% (2023: 25%)	(1,747,965)	(2,217,734)
Income not subject to taxation	(494,908)	(602,530)
Expenses not deductible for taxation	376,397	1,254,457
Tax losses and deductible temporary differences not recognised	1,866,476	1,788,499
Utilisation of unrecognised tax losses	-	-
<b>Income tax (benefit) / expense</b>	<b>-</b>	<b>222,692</b>

The Group did not recognise deferred income tax assets in respect of tax losses of \$28,233,805 as at 30 June 2024 (2023: \$20,296,332) that can be carried forward against future taxable income.

Mighty Kingdom Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation from 1 July 2020. The head entity, Mighty Kingdom Limited and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Mighty Kingdom Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

## 7 Cash and cash equivalents

	2024 \$	2023 \$
Cash and cash equivalents consist of the following:		
Cash at bank and in hand:		
- Held in Australian Dollars	2,757,214	145,994
- Held in United States Dollars	609,422	155,791
	<b>3,366,636</b>	<b>301,785</b>

For the purposes of the consolidated statement of cash flow, the consolidated cash and cash equivalents comprise the following:

Cash and bank balances	3,366,636	301,785
<b>Cash and cash equivalents per consolidated statement of cash flow</b>	<b>3,366,636</b>	<b>301,785</b>

## 8 Trade and other receivables

	2024 \$	2023 \$
Trade receivables	131,170	626,944
Less: provision for expected credit losses	-	-
Other receivables	483,501	1,020,397
GST receivable	119,481	58,135
Digital games tax offset receivable	1,163,800	670,849
Research and development incentive receivable	641,093	1,743,981
Related party receivable <sup>(i)</sup>	-	2,288,000
	<b>2,539,045</b>	<b>6,408,307</b>

- (i) At 30 June 2023, the Related party receivable represented the \$2,288,000 amount receivable from Gamestar for 65,371,429 shares in the Group that were issued pursuant to the Share Subscription Agreement dated on or about 4 August 2022 and varied by the parties on or about 18 January 2023. As the Group announced to the market on 14 June 2023, all conditions to that payment had been met which created an unconditional right to receive payment. On 20 July 2023, the Group received \$200,000 as partial settlement of this receivable. In November 2023, Mighty Kingdom applied to the Takeovers Panel relating to the application of unacceptable circumstances with the parties Gamestar, Imagination Entertainment Pty Ltd ("Imagination"), Yeend Superannuation Fund ATF Yeend Superannuation Fund, and Shane Yeend. On 15 December 2023, the Takeovers Panel accepted undertakings from the Group and Gamestar and the above entities controlled by Shane Yeend, to enter into a buy-back agreement for a selective buy-back of 59,657,143 shares held by Gamestar with the total consideration of the buyback to be \$1. The buyback agreement was signed by all parties on the 21 December 2023. The Group and Gamestar agreed to take all steps to complete the share buy-back under that agreement, including the Group seeking shareholder approval of the buy-back under the Corporations Act. On 16 February 2024, the Group held an Extraordinary General Meeting for which shareholders voted in favour of the resolution. On 21 February 2024 the shares were cancelled.

As a consequence of the above, there is no related party receivable due at the reporting date, and this amount was reversed against share capital in equity.

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

## 9 Property, plant and equipment

	Office Equipment \$	Leasehold Improvements \$	Total \$
<b>Gross carrying amount</b>			
Balance at 1 July 2023	861,235	286,597	1,147,832
Additions during the year	13,120	-	13,120
Disposals during the year	(201,619)	-	(201,619)
<b>Balance at 30 June 2024</b>	<b>672,736</b>	<b>286,597</b>	<b>959,333</b>
<b>Depreciation and impairment</b>			
Balance at 1 July 2023	(400,916)	(193,144)	(594,060)
Depreciation during the year	(132,017)	(93,453)	(225,470)
Disposals during the year			-
<b>Balance at 30 June 2024</b>	<b>(532,933)</b>	<b>(286,597)</b>	<b>(819,530)</b>
<b>Carrying amount at 30 June 2024</b>	<b>139,803</b>	<b>-</b>	<b>139,803</b>
<b>Gross carrying amount</b>			
Balance at 1 July 2022	947,008	279,432	1,226,440
Additions during the year	14,379	7,165	21,544
Disposals during the year	(100,152)	-	(100,152)
<b>Balance at 30 June 2023</b>	<b>861,235</b>	<b>286,597</b>	<b>1,147,832</b>
<b>Depreciation and impairment</b>			
Balance at 1 July 2022	(313,166)	(72,939)	(386,105)
Depreciation during the year	(136,924)	(120,205)	(257,129)
Disposals during the year	49,174	-	49,174
<b>Balance at 30 June 2023</b>	<b>(400,916)</b>	<b>(193,144)</b>	<b>(594,060)</b>
<b>Carrying amount at 30 June 2023</b>	<b>460,319</b>	<b>93,453</b>	<b>553,772</b>

## 10 Right of use assets / Lease liabilities

	Property \$	Total \$
<b>Right-of-use assets</b>		
Balance at 1 July 2023	244,076	244,076
Additions during the year	-	-
Lease modifications during the year	-	-
<b>Total right-of-use-assets</b>	<b>244,076</b>	<b>244,076</b>
Depreciation during the year	(244,076)	(244,076)
<b>Net carrying value at the end of the year</b>	<b>-</b>	<b>-</b>

	Property \$	Total \$
<b>Right-of-use assets</b>		
Balance at 1 July 2022	631,160	631,160
Additions during the year	-	-
Disposals and transfers during the year	(28,009)	(28,009)
<b>Total right-of-use-assets</b>	<b>603,151</b>	<b>603,151</b>
Depreciation during the year	(359,075)	(359,075)
<b>Net carrying value at the end of the year</b>	<b>244,076</b>	<b>244,076</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Lease liabilities (current)	-	264,942
	<b>-</b>	<b>264,942</b>

The Group had a lease for an office building. The lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 9).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. For leases over office buildings the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure right-of-use assets and incur maintenance fees on such items in accordance with the lease contracts.

## 11 Shares in controlled entities

	Equity Interest Held	
	2024 %	2023 %
<b>Name and interest in controlled entity</b>		
Mighty Kingdom Games Pty Ltd	100	100
Mighty Kingdom Services Pty Ltd	100	100
Mighty Kingdom IP Pty Ltd	100	100
Rise Games Pty Ltd	100	100

- (a) The subsidiaries listed above have share capital consisting solely of ordinary shares, which are held directly by the Group.
- (b) Each subsidiary's principal place of business is Australia which is also its country of incorporation or registration.

## 12 Trade and other payables

	2024 \$	2023 \$
<b>Current</b>		
Trade payables	675,769	658,719
Accrued expenses	545,553	298,884
PAYG payable <sup>(i)</sup>	696,276	888,006
Payroll liabilities	660,349	692,147
Other payables	144,100	-
	<b>2,722,047</b>	<b>2,537,756</b>
<b>Non-current</b>		
PAYG payable <sup>(i)</sup>	-	547,146

- (i) On 12 January 2023, Mighty Kingdom Services Pty Ltd entered into a new interest-free payment plan with the Australian Taxation Office (ATO) to repay the outstanding tax liabilities over the next two years, which related to its outstanding GST and PAYG withholding obligations. ("Payment Plan").

**Conditions of the Payment Plan:**

- Make payments on due dates stipulated on the arrangement. The dates are regular instalments until April 2025; and
- Lodge and pay all ongoing tax obligations by their due dates.

The breach of any conditions above results in payment of the full amount and any accrued general interest charge (GIC). The Group complied with the above conditions as at 30 June 2024.

### 13 Contract assets and liabilities

**Contract assets**

	2024	2023
	\$	\$
Contract assets <sup>(i)</sup>	<b>86,183</b>	<b>350,508</b>

- (i) Contract assets relate to work that has been undertaken for ongoing projects where the revenue is recognised over time but had not been billed as at the reporting date. The amount disclosed above does not include variable consideration which is constrained.

**Contract liabilities**

	2024	2023
	\$	\$
Deferred service income <sup>(ii)</sup>	<b>121,180</b>	<b>638,216</b>

- (ii) Deferred service income represents customer payments received in advance of performance that are expected to be recognised as revenue in the next financial period.

Reconciliation of the contract liabilities at the beginning and end of the current and previous financial year are set out below:

	2024	2023
	\$	\$
Balance at beginning of the year	638,216	165,387
Payments received in advance	121,179	638,216
Transfer to revenue - performance obligations satisfied during the year	(638,216)	(165,387)
Balance at end of the year	<b>121,180</b>	<b>638,216</b>

**Unsatisfied performance obligations**

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$121,180 as at 30 June 2024 (\$638,216 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	2024	2023
	\$	\$
Within 6 months	121,180	638,216
	<b>121,180</b>	<b>638,216</b>

## 14 Employee benefits

	2024 \$	2023 \$
<b>Current</b>		
Provision for annual leave	384,189	760,682
Provision for long service leave	204,971	266,641
	<b>589,160</b>	<b>1,027,323</b>
<b>Non-current</b>		
Provision for long service leave	<b>197,282</b>	<b>299,533</b>

## 15 Share capital

	Notes	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	(a)	3,215,943,034	381,773,760	40,428,489	35,211,572

### (a) Movements in ordinary share capital

	Number of Shares	Price \$	Total \$
Balance at beginning of the year	<b>381,773,760</b>		<b>35,211,572</b>
Shares issued in current year:			
Tranche 1 <sup>(i)</sup>	76,000,000	0.01	760,000
Tranche 2 <sup>(ii)</sup>	18,150,000	0.01	181,500
Institutional accelerated renounceable rights issue <sup>(iii)</sup>	245,000,000	0.003	735,000
Retail accelerated renounceable rights issue <sup>(iv)</sup>	104,445,650	0.003	313,337
Retail shortfall bookbuild <sup>(v) (vi)</sup>	1,731,887,435	0.003	5,195,662
Accelerated renounceable rights issue <sup>(vii)</sup>	660,000,000	0.003	1,980,000
Additional placement <sup>(viii)</sup>	58,333,332	0.003	175,000
Cleansing prospectus <sup>(ix)</sup>	10,000	0.003	30
<b>Total new equity raised</b>	<b>2,893,826,418</b>		<b>9,340,529</b>
Transaction costs and tax	-		(2,035,612)
Selective buy-back <sup>(x)</sup>	(59,657,143)		(2,088,000)
<b>Balance at end of the year</b>	<b>3,215,943,034</b>		<b>40,428,489</b>

- (i) On 26 October 2023 the Group issued 76,000,000 fully paid ordinary share at an issue price of \$0.01 per share under the Tranche 1 Placement announced on 4 August 2022.
- (ii) On 31 October 2023 the Group issued 18,150,000 fully paid ordinary share at an issue price of \$0.01 per share under the Tranche 2 Placement announced on 4 August 2022 and approved by shareholders at the Company's AGM on 28 November 2022.
- (iii) On 21 March 2024 the company issued 245,000,000 new fully paid ordinary share at an issue price of \$0.003 per share under the institutional offer of the accelerated renounceable rights issue announced on 15 March 2024.
- (iv) On 18 April 2024 the company issued 104,445,650 new fully paid ordinary share at an issue price of \$0.003 per share under the shortfall securities applied for by eligible shareholders under the retail component of the accelerated renounceable rights issue announced on 15 March 2024.

- (v) On 22 April 2024 the company issued 1,565,220,768 new fully paid ordinary share at an issue price of \$0.003 per share under the retail shortfall bookbuild announced on 17 April 2024.
- (vi) On 29 April 2024 the company issued 166,666,667 new fully paid ordinary share at an issue price of \$0.003 per share under the retail shortfall bookbuild announced on 17 April 2024.
- (vii) On 14 June 2024 the company issued 660,000,000 new fully paid ordinary share at an issue price of \$0.003 per the same terms as the accelerated renounceable rights issue, as an additional placement as announced on 24 April 2024.
- (viii) On 17 June 2024 the company issued 58,333,332 new fully paid ordinary share at an issue price of \$0.003, due to an inadvertent over-allocation during the additional placement.
- (ix) On 18 June 2024 the company issued 10,000 new fully paid ordinary share at an issue price of \$0.003 under a cleansing prospectus as announced on 11 June 2024.
- (x) On 15 December 2023, the Takeovers Panel accepted undertakings from the Group and Gamestar and the above entities controlled by Shane Yeend, to enter into a buy-back agreement for a selective buy-back of 59,657,143 shares held by Gamestar with the total consideration of the buyback to be \$1. The buyback agreement was signed by all parties on the 21 December 2023. On 16 February 2024 the Group held an Extraordinary General Meeting for which shareholders voted in favour of the resolution. On 21 February 2024 the shares were cancelled.

## 16 Loss per share

Both the basic and diluted loss per ordinary share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. In accordance with AASB 133, there are not considered to be any dilutive securities on issue.

	2024	2023
Net loss attributable to equity holders of the Company (\$)	(6,991,861)	(9,093,628)
Weighted average number of ordinary shares	866,487,583	277,986,352
Basic loss per share (\$)	(0.01)	(0.03)

## 17 Share-based payment reserves

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

## 18 Share-based payments

### Employee share options

During 2024, the Company issued 22,200,000 options to employees under "The Employee Share Option Plan ("ESOP)". Under this scheme each employee share option entitles the holder to one share on the exercise of the employee share option. Options have been granted without performance conditions to attract appropriate talent to the role and to align management's interests with those of the shareholders. These options were approved by shareholders at the relevant meeting.

### Non-Executive Director share options

During 2024, the Company issued 20,000,000 share options to Non-Executive Directors, by way of an initial equity-based sign-on incentive. Each option issued entitles the holder to one ordinary share in the Company on exercise and is exercisable within 5 years of the grant date. Options have been granted without performance conditions to attract appropriate talent to the role.

## Broker share options

During 2024, the Company granted 574,999,995 share options to the joint lead managers upon completion of the accelerated renounceable rights issue and subsequent additional placement. These options formed part of the remuneration for the services that were provided. Each option issued entitles the holder to one ordinary share in the Company on exercise with 225,00,000 exercisable within 1 year of the grant date and 349,999,995 exercisable within 5 years of the grant date.

The summary of share options are as follows:

	Number granted	Grant date	Vesting date	Expiry Date	Value per option at grant date (\$)	Exercise price (\$)
Employees via ESOP	12,488,859	20 Nov 2020	21 Apr 2021	20 Nov 2025	0.10	0.15
Employees via ESOP <sup>3</sup>	4,000,000	28 June 2023	28 June 2023	31 Dec 2025	0.01	0.04
Employees via ESOP <sup>3</sup>	3,200,000	28 June 2023	28 June 2023	31 Dec 2025	0.01	0.04
Non-Executive Directors	12,000,000	19 Dec 2022	19 Dec 2022	19 Dec 2025	0.019	0.035
Non-Executive Directors	20,000,000	14 Jun 2024	14 Jun 2024	14 Jun 2029	0.0025	0.006
Employee via ESOP <sup>4</sup>	2,500,000	14 Jun 2024	15 Mar 2025	14 Jun 2029	0.0023	0.015
	2,500,000	14 Jun 2024	15 Mar 2026	14 Jun 2029	0.0023	0.015
	2,500,000	14 Jun 2024	15 Mar 2027	14 Jun 2029	0.0023	0.015
	2,500,000	14 Jun 2024	15 Mar 2028	14 Jun 2029	0.0023	0.015
Employee via ESOP <sup>4</sup>	1,250,000	14 Jun 2024	18 Jan 2024	14 Jun 2029	0.0023	0.015
	1,250,000	14 Jun 2024	18 Jan 2025	14 Jun 2029	0.0023	0.015
	1,250,000	14 Jun 2024	18 Jan 2026	14 Jun 2029	0.0023	0.015
	1,250,000	14 Jun 2024	18 Jan 2027	14 Jun 2029	0.0023	0.015
Brokers short-dated <sup>1</sup>	225,000,000	14 Mar 2024	19 Aug 2024	19 Aug 2025	0.0017	0.004
Brokers long-dated <sup>1</sup>	349,999,995	14 Mar 2024	19 Aug 2024	19 Aug 2029	0.0029	0.006

1. Granted but not issued as at 30 June 2024.
2. On 17 July 2024 the Group announced a consolidation of the issued shared capital of Mighty Kingdom Limited on the basis that every fifteen (15) fully paid ordinary share be consolidated into one (1) fully paid ordinary share. Similarly the number of options be consolidated on the same basis. The exercise price of the options has now been amended in inverse proportion to the consolidation ratio. The consolidation process was completed on 30 August 2024.
3. Approved by shareholders at the annual general meeting held 29 November 2023.
4. Approved by shareholders at the extraordinary general meeting held on 31 May 2024.

Details of options granted during the period:

	David Yin ESOP Options	Simon Rabbit ESOP Options	Chris Whiteman Non-Exec Options	Mark Aubrey Non-Exec Options	Broker short-dated Options	Broker long-dated Options
<b>Grant Date</b>	15 Mar 2024	14 Jun 2024	24 Mar 2024	24 Mar 2024	14 Mar 2024	14 Mar 2024
<b>Issue Date</b>	14 Jun 2024	14 Jun 2024	14 Jun 2024	14 Jun 2024	19 Aug 2024	19 Aug 2024
<b>Vesting Date</b>	14 Jun 2024	14 Jun 2024	14 Jun 2024	14 Jun 2024	19 Aug 2024	19 Aug 2024
<b>Expiry Date</b>	14 Jun 2029	14 Jun 2029	14 Jun 2029	14 Jun 2029	19 Aug 2025	19 Aug 2029
<b>Share price at grant date (\$)</b>	0.004	0.004	0.003	0.003	0.004	0.004
<b>Forecast volatility (%)<sup>1</sup></b>	100.80	106.06	139.54	139.54	139.54	139.54
<b>Time to expiration (years)</b>	5	5	5	5	5	5
<b>Number of units</b>	10,000,000	5,000,000	10,000,000	10,000,000	225,000,000	349,999,995
<b>Valuation (per option)</b>	0.0023	0.0021	0.0025	0.0025	0.0017	0.0029
<b>Total valuation (\$)</b>	23,042	10,476	25,488	25,488	373,356	1,031,601

1. Forecast volatility is based on historical volatility for the 18 months to grant date.
2. 10,000,000 options to vest equally (2,500,000 per period) on the anniversary date of employment.
3. 5,000,000 options to vest equally (1,250,000 per period) on the anniversary date of employment.

	Number of options	2024 \$	Number of options	2023 \$
Employees via ESOP	34,688,859	1,351,271	31,688,859	1,356,087
Non-Executive Directors	32,000,000	531,976	13,623,130	481,000
Other	574,999,995	1,404,957	-	-
<b>Total share-based payment reserves</b>	<b>641,668,854</b>	<b>3,288,194</b>	<b>45,311,989</b>	<b>1,837,087</b>

The table below shows the number and movement in, share options during the period:

Employees via ESOP	Number of options	
	2024	2023
Balance at beginning of the year	31,688,859	12,488,859
Forfeited during the period	(12,000,000)	-
Granted during the period	15,000,000	19,200,000
Exercised during the period	-	-
<b>Balance at end of the year</b>	<b>34,688,859</b>	<b>31,688,859</b>

Non-Executive Directors	Number of options	
	2024	2023
Balance at beginning of the year	13,623,130	1,623,130
Lapsed during the period	(1,623,130)	-
Granted during the period	20,000,000	12,000,000
Exercised during the period	-	-
<b>Balance at end of the year</b>	<b>32,000,000</b>	<b>13,623,130</b>

Other	Number of options	
	2024	2023
Balance at beginning of the year	-	-
Granted during the period	574,999,995	-
Exercised during the period	-	-
<b>Balance at end of the year</b>	<b>574,999,995</b>	<b>-</b>

## 19 Related party transactions

The Company's related parties are as follows:

### (a) Key management personnel of the Company

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the entity, is considered key management personnel.

### (b) Other related parties of the Company

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

**(c) Transactions and outstanding balances with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties (i.e., at arm's length) unless the terms and conditions disclosed below state otherwise. The following transactions occurred with related parties:

	2024 \$	2023 \$
<b>Key management personnel</b>		
Key management personnel compensation:		
Short-term employee benefits	1,308,100	1,414,655
Post-employment benefits	101,736	135,744
Long-term employment benefits	(62,321)	11,172
Share-based payments	46,149	313,224
Termination benefits	-	150,000
	<b>1,393,663</b>	<b>2,024,795</b>
<b>Transactions and outstanding balances with other related parties</b>		
Revenue recognised from Gamestar Interactive Inc	-	506,924
Amounts owed from Gamestar Interactive Inc	-	340,290
Amounts owed from Gamestar Studios Pty Ltd	-	2,288,000

**20 Cash flow information****Reconciliation of cash flow from operations with loss after income tax**

	2024 \$	2023 \$
<b>Loss after income tax</b>	<b>(6,991,861)</b>	<b>(9,093,628)</b>
<b>Non-cash flows in profit or loss:</b>		
Depreciation expense	469,545	659,263
Interest accrued on borrowings	13,100	27,171
Loss on disposal of assets	95,598	(1,989)
Employee share options	46,160	313,223
Deferred tax (income) / expense	-	222,692
<b>Changes in assets and liabilities:</b>		
Decrease / (increase) in trade and other receivables	1,721,307	(817,611)
Decrease in contract assets	264,325	643,593
Decrease in prepayments and other current assets	284,117	257,364
(Decrease) / increase in trade and other payables	(417,022)	88,018
Decrease in employee benefits	(572,212)	(131,564)
(Decrease) / increase in contract liabilities	(517,037)	472,829
<b>Net cash (used in) operating activities</b>	<b>(5,603,980)</b>	<b>(7,360,639)</b>

**21 Events after the reporting period**

On 17 July 2024 the Group announced a consolidation of the issued shared capital of Mighty Kingdom Limited on the basis that every fifteen (15) fully paid ordinary share be consolidated into one (1) fully paid ordinary share. At a subsequent Extraordinary General Meeting held on 16 August 2024 shareholders approved the consolidation of capital. Similarly the number of options be consolidated on the same basis. The exercise price of the Options has not been amended in

inverse proportion to the consolidation ratio. The consolidation process was completed on 30 August 2024.

The Company's post-consolidation capital structure is as follows:

Capital Structure Post-Consolidation	ASX Code	Securities on Issue
Ordinary Fully Paid Shares	MKL	216,063,408
Option Expiring 19-Nov-2025 EX \$2.25	MKLAG	148,984
Option Expiring 16-Feb-2026 EX \$2.25	MKLAF	311,968
Option Expiring 19-Nov-2025 EX \$2.25	MKLAE	683,608
Option Expiring 19-Dec-2025 EX \$0.525	MKLAH	800,001
Option Expiring 19-Aug-2025 EX \$0.06	MKLAM	15,000,000
Option Expiring 19-Aug-2029 EX \$0.09	MKLAN	23,333,333
Option Expiring 31-Dec-2025 EX \$0.60	MKLAJ	480,001
Option Expiring 14-Jun-2029 EX \$0.225	MKLAK	1,000,001
Option Expiring 14-Jun-2029 EX \$0.09	MKLAL	1,333,334

On 19 August 2024 the Group announced the resignation of its Chief Financial and Operating Officer (CFOO) Simon Rabbitt.

On 11 September Chief Technology Officer (CTO) Grant Osborne announced his resignation.

## 22 Auditors' remuneration

	2024	2023
	\$	\$
Audit or review of financial statements - Grant Thornton		
Remuneration for audit or review of financial statements	116,761	142,841
Other services	-	-
<b>Total audit or review remuneration</b>	<b>116,761</b>	<b>142,841</b>

## 23 Financial assets and liabilities

Note 2.1 (i) provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Notes	Amortised Cost 2024	Total 2024
		\$	\$
<b>Financial assets</b>			
Cash and cash equivalents	7	3,366,636	3,366,636
Trade and other receivables	8	1,897,952	1,897,952
		<b>5,264,588</b>	<b>5,264,588</b>
<b>Financial liabilities:</b>			
Trade and other payables	12	1,917,598	1,917,598
Lease liabilities	10	-	-
		<b>1,917,598</b>	<b>1,917,598</b>

	Notes	Amortised Cost 2023 \$	Total 2023 \$
<b>Financial assets</b>			
Cash and cash equivalents	7	301,785	301,785
Trade and other receivables	8	4,606,191	4,606,191
		<b>4,907,976</b>	<b>4,907,976</b>
<b>Financial liabilities:</b>			
Trade and other payables	12	1,787,474	1,787,474
Lease liabilities	10	264,942	264,942
		<b>2,052,416</b>	<b>2,052,416</b>

## 24 Financial risk management

### Financial risk management framework

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

Senior executives meet on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts. The overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance.

### Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

#### (a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group. The Group's objective in managing credit risk is to minimise the credit losses incurred, mainly on trade receivables.

Credit risk is managed through maintaining procedures that ensure, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness and their financial stability is monitored and assessed on a regular basis. Such monitoring is used in assessing receivables for impairment.

### (i) Trade receivables

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying Amount	
	2024 \$	2023 \$
Trade Receivables	131,179	626,945
An analysis of the credit quality of trade receivables based on the aging group at 30 June 2024 and 30 June 2023 is as follows:		
Not past due	131,179	5,495
Past due 0-30 days	-	366,264
Past due 31-60 days	-	-
Past due 61-90 days	-	147,292
More than 90 days	-	107,894
	<b>131,179</b>	<b>626,945</b>

The allowance for expected credit losses in respect of receivables is used unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

### (ii) Cash and cash equivalents

The Group held cash of \$3,366,636 at 30 June 2024 (2023: \$301,785), which represents its maximum credit exposure on these assets. The Group has no significant concentrations of credit risk with any single counterparty or group of counterparties. All cash and cash equivalents are held with large reputable financial institutions within Australia and therefore credit risk is considered minimal.

### (b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

As at 30 June 2024, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Notes	Within six months		Six months to one year		One to five years	
		2024	2023	2024	2023	2024	2023
		\$	\$	\$	\$	\$	\$
Trade and other payables	12	2,272,047	2,162,756	450,000	375,000	-	547,146
Lease liabilities	10	-	231,064	-	33,878	-	-
		<b>2,272,047</b>	<b>2,393,820</b>	<b>450,000</b>	<b>408,878</b>	<b>-</b>	<b>547,146</b>

**(c) Market risk****(i) Interest rate risk**

Exposure to interest rate risk arises on interest-bearing financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect either the future cash flows (in the case of variable interest instruments) or the fair value financial instruments (in the case of fixed rate instruments).

The Group manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

**(ii) Currency risk**

The Group is exposed to foreign currency risk (i.e. USD) on sales and purchases that are denominated in a currency other than the AUD.

The Group's exposure to foreign currency risk at the end of reporting period, expressed in Australian dollars, was as follows:

	2024 \$	2023 \$
<b>Financial assets</b>		
Cash - US dollars	609,422	155,791
Trade and other receivables - US dollars	131,179	230,794
<b>Financial liabilities</b>		
Trade and other payables - US dollars	(35,515)	(46,282)
<b>Net exposure</b>	<b>705,087</b>	<b>340,303</b>

At 30 June 2024, had the Australian dollar moved, with all other variables held constant, pre-tax loss would have been affected as follows:

	Pre-tax Loss (\$) (Higher) / Lower	
	2024	2023
Consolidated		
+5% (500 basis points)	(29,020)	(16,205)
- 5% (500 basis points)	32,075	17,911

The impact on the Group's total comprehensive income is due to changes in the fair value of monetary assets and liabilities. Movements in foreign currency exchange rates will result in gains or losses being recognised because of the revaluation of balances. The Group's exposure of foreign currency is immaterial for the current reporting year.

**25 Capital management**

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

## 26 Parent information

The following information has been extracted from books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

<b>Statement of Financial Position</b>	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Current assets	4,170,932	5,052,513
Total assets	6,447,786	5,052,513
Current liabilities	752,760	2,156,026
Total liabilities	3,517,957	2,156,026
<b>Equity</b>		
Share capital	45,333,048	35,211,572
Share-based payment reserves	1,686,933	1,837,087
Retained losses	(44,090,152)	(33,794,991)
<b>Total equity</b>	<b>2,929,829</b>	<b>3,253,668</b>
<b>Financial performance</b>		
Loss for the year	(10,295,161)	(588,815)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(10,295,161)</b>	<b>(588,815)</b>

## 27 Contingent liabilities

There are no contingent liabilities as at reporting date.

## 28 Capital commitments – property, plant and equipment

The Group had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

## Consolidated Entity Disclosure Statement AS AT 30 JUNE 2024

Name of entity	Type of entity	% of share capital held	Country of incorporation	Australian resident of foreign resident (for tax purpose)	Foreign tax jurisdiction(s) of foreign residents
Mighty Kingdom Limited	Body Corporate	n/a	Australia	Australian	n/a
Mighty Kingdom Games	Body Corporate	100	Australia	Australian	n/a
Mighty Kingdom Services	Body Corporate	100	Australia	Australian	n/a
Mighty Kingdom IP	Body Corporate	100	Australia	Australian	n/a
Rise Games	Body Corporate	100	Australia	Australian	n/a

### Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

### Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10).

### Determination of Tax Residency

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

#### Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance.

#### Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

#### Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

## Directors' Declaration

In accordance with a resolution of the Directors of Mighty Kingdom Limited, the Directors of the Company declare that:

### In the opinion of the directors:

1. The financial statements and notes, as set out on pages 19 to 53,
  - (a) comply with Australian Accounting Standards which, as stated in accounting policy Note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
  - (b) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Company and consolidated Company.
  - (c) the consolidated entity disclosure statement in page 53 is true and correct and is in accordance with the Corporations Act 2001 (Cth) as at 30 June 2024.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declaration required to be made to the Directors by the Managing Director and Chief Financial and Operations Officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

### On behalf of the Board



David Butorac

27 September 2024

## Independent Auditor's Report

To the Members of Mighty Kingdom Limited

Report on the audit of the financial report

### Qualified Opinion

We have audited the financial report of Mighty Kingdom Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, except for the effects of the matter described below in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for qualified opinion**

Included within the comparative statement of financial position at 30 June 2023 were amounts totalling \$2,628,290 within trade and other receivables owing from related parties of one of the key management personnel. The total amount owing included \$2,288,000 for 65,371,429 Tranche 2 shares issued by the Group to Gamestar Studios Pty Ltd and \$340,290 for services performed in relation to an external IP contract revenue agreement with Gamestar Interactive Inc. These amounts, at the time, were the subject of a dispute between the Company and the related party.

As at 30 June 2023, in the absence of a resolution of the dispute and other audit evidence to substantiate the recoverability of this outstanding amount at the time, we were unable to ascertain the extent of recoverability of these amounts owing to the Group. Therefore, we were unable to determine whether any adjustments were necessary to trade and other receivables as stated in the consolidated statement of financial position as at 30 June 2023. This matter has since been resolved and adjusted for at 30 June 2024.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Material uncertainty related to going concern**

We draw attention to Note 1.1 in the financial statements, which indicates that the Group incurred a net loss of \$6,991,861 and had cash outflows from operating activities of \$5,603,980 during the year ended 30 June 2024. As stated in Note 1.1, these events or conditions, along with other matters as set forth in Note 1.1, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section and the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Recognition of game development revenue</b> <b>Note 2.1(o), Note 3</b></p> <p>Game development revenue of \$5,102,224 has been derived from work-for-hire projects and co-development projects and is recognised in accordance with AASB 15 Revenue from Contracts with Customers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>documenting and assessing the business processes and relevant internal controls relating to revenue and its recognition;</li> </ul>

**Key audit matter**

**How our audit addressed the key audit matter**

**Recognition of game development revenue**  
**Note 2.1(o), Note 3**

As projects are delivered over time, the Group's policy specifies that revenue is recognised on a percentage of completion as services are provided, depending on the performance obligations which are milestone based.

Revenue is a key performance measure and forms the basis of the key performance metrics of the Group.

We consider game development revenue to be a key audit matter due to:

- the tailored and complex nature of the game development contracts; and
- management judgement involved in identifying performance obligations, determining transaction price and assessing stage of completion at year end.

- evaluating revenue recognition policies for compliance with AASB 15 *Revenue from Contracts with Customers*;
- for a sample of game development contracts:
  - inspecting key terms of the contracts;
  - evaluating appropriateness of performance obligation identification, transaction price determination and allocation of transaction price to performance obligations;
  - evaluating available evidence to support the stage of completion; and
  - verifying accuracy of revenue recognised during the year; and
- assessing the appropriateness of the Group's revenue disclosures in the financial statements.

**Government grant income**  
**Note 2.1 (p), Note 4, Note 8**

For the year ended 30 June 2024, the amount being claimed under the Research and Development (R&D) Tax Incentive scheme is \$641,093 and the amount claimed under the Digital Games Tax Offset scheme is \$1,163,800.

The Group receives a refundable tax offset (corporate tax rate plus 18.5%) of eligible expenditure under the R&D Tax Incentive scheme if its turnover is less than \$20 million per annum, provided it is not controlled by income tax exempt entities.

An R&D plan is filed with AusIndustry in the following financial year, and based on this filing, the Group receives the incentive in cash.

Similarly, the Digital Games Tax Offset scheme provides a 30% refundable tax offset for eligible business expenses and the claim expected to be received is estimated at year end.

Management performed a detailed review of the Group's total eligible expenditure under both schemes to determine the potential claim.

This area is a key audit matter due to the degree of judgement and interpretation of the tax legislation required by management to assess the eligibility of the expenditure under the schemes.

Our procedures included, amongst others:

- inspecting copies of relevant correspondence with AusIndustry, Department of Arts and the ATO relating to the claims;
- comparing the eligible expenditure used in the receivable calculation to the expenditure recorded in the general ledger, and testing a selection of expenditure on a sample basis;
- comparing the projects and expenditure included in the computation against the prior year, including the level of capitalised involvement;
- discussing and consulting with internal subject matter experts about the form and content of any amounts booked as receivable;
- evaluating management expert's involvement in the calculation of the incentive, including understanding any key judgements that have been made in the determination of the calculation;
- performing analytical procedures on any change in the estimate from the prior year to understand and movements in estimates;
- comparing the amount accrued in the prior year estimate with actual amounts received during the financial year to assess management's ability to estimate; and
- assessing the appropriateness of the disclosures in the financial statements.

### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and
- b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Mighty Kingdom Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

For personal use only

**Responsibilities**

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

J L Humphrey  
Partner – Audit & Assurance

Adelaide, 27 September 2024

## Shareholder Information

Shareholder Information required by the Australian Securities Exchange Limited (ASX) Listing Rules and not disclosed elsewhere in the Report is set out below.

### Substantial shareholders

The number of securities held by substantial shareholders and their associates (as disclosed to the ASX) are set out below.

Name	Number	%*	Date lodged
Phoenix Portfolios Pty Ltd	233,063,718	7.38	17-Jun-24

\*percentage of issued capital and number of shares as at the date the notice was lodged

### Number of security holders and securities on issue

On 17 July 2024 the Group announced a consolidation of the issued share capital of Mighty Kingdom Limited on the basis that every fifteen (15) fully paid ordinary share be consolidated into one (1) fully paid ordinary share. At a subsequent Extraordinary General Meeting held on 16 August 2024 shareholders approved the consolidation of capital. Similarly the number of options be consolidated on the same basis. The consolidation process was completed on 30 August 2024. The information contained below is presented on a post consolidation basis as at 23 September 2024.

Mighty Kingdom Limited has issued the following securities: 216,063,408 fully paid ordinary shares and 43,091,230 options. 1,666,667 fully paid ordinary shares are subject to voluntary escrow until 21 August 2025

### Voting rights

#### Ordinary shares

In accordance with the Mighty Kingdom Limited Constitution and subject to any rights or restrictions attached to any class of shares, at a meeting of members:

- (i) on a show of hands, each Member has one vote; and
- (ii) on a poll, each Member has one vote for each fully paid Share they hold.

### Distribution of security holders

#### Quoted securities

Range	Total holders	Units	% Units
1 - 1,000	421	165,841	0.08
1,001 - 5,000	325	768,809	0.36
5,001 - 10,000	99	749,749	0.35
10,001 - 100,000	207	9,368,829	4.34
100,001 Over	261	205,010,180	94.88
<b>Rounding</b>			<b>-0.01</b>
<b>Total</b>	<b>1,313</b>	<b>216,063,408</b>	<b>100.00</b>

#### Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.0550 per unit	9,091	826	1,496,141

## Options

	<b>2024 Options</b>
Non-Executive Directors	2,133,335
Employees via ESOP	2,312,594
Other options	38,645,301
<b>Total options issued at 23 September 2024</b>	<b>43,091,230</b>

## Twenty largest shareholders of issued capital

Rank	Name	Units	% Units
1	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	11,877,406	5.50
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,068,916	4.20
3	FIRST TRUSTEE COMPANY (NZ) LIMITED <IAN ROGER MOORE A/C>	7,500,000	3.47
4	MR SIMON CHARLES DOHERTY	7,111,112	3.29
5	MS MICHELLE LEE GUTHRIE	7,057,701	3.27
6	MR PAUL JOHN PHEBY	5,555,556	2.57
7	CITICORP NOMINEES PTY LIMITED	5,476,508	2.53
8	PUNTERO PTY LTD	4,644,445	2.15
9	OUTBLAZE LIMITED	4,444,445	2.06
10	SAILORS OF SAMUI PTY LTD	3,666,667	1.70
11	PHILIP JAMES MAYES + MICHELLE LEE <MAYES LEE FAMILY A/C>	3,528,572	1.63
12	MR ALAN CONIGRAVE	3,448,052	1.60
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	3,383,064	1.57
14	ACN 161 604 315 PTY LTD	3,333,334	1.54
14	BEAUVAIS CAPITAL PTY LTD <THE REGINALD HECTOR A/C>	3,333,334	1.54
16	PETERLYN PTY LTD <RPC SALMON SUPER FUND A/C>	3,300,000	1.53
17	MR ANDREW MACBRIDE PRICE <EST JOHN AM PRICE A/C>	3,190,998	1.48
18	GP SECURITIES PTY LTD	3,125,088	1.45
19	LYNTER PTY LTD <HERFORD SUPER FUND A/C>	2,500,000	1.16
20	CERBERUS INVESTMENTS PTY LTD	2,444,445	1.13
<b>Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)</b>		<b>97,989,643</b>	<b>45.35</b>
<b>Total Remaining Holders Balance</b>		<b>118,073,765</b>	<b>54.65</b>

## Corporate Information

### Directors

David Butorac  
Ian Hogg  
Chris Whiteman  
Mark Aubrey  
David Yin

### Company secretary

Katelyn Adams

### Registered office

Level 1, 169 Fullarton Road  
Dulwich, SA 5065

### Principal place of business

Level 1, 169 Fullarton Road  
Dulwich, SA 5065

Email: [hello@mightykingdom.com](mailto:hello@mightykingdom.com)

Website: <https://www.mightykingdom.com>

### Auditor

Grant Thornton Audit Pty Limited  
Grant Thornton House  
Level 3, 170 Frome Street  
Adelaide SA 5000

### Share register

Computershare Investor Services Pty Limited  
Level 5, 115 Grenfell Street  
Adelaide SA 5000

### Stock exchange listing

Mighty Kingdom Limited shares are listed on the Australian Securities Exchange (ASX code: MKL)