

# MIGHTY KINGDOM QUARTERLY ACTIVITIES UPDATE AND APPENDIX 4C

**Quarter Ended 30 September 2024**

Mighty Kingdom Limited (ASX: MKL) ("MK" or the "Company"), is pleased to provide its Quarterly Activities Update and Appendix 4C for the September 2024 Quarter ("Q1 FY25").

## QUARTERLY NOTES

- **Operating costs down further 10% versus Q4 FY24**
- **Quarterly game revenue \$1.2m (68% increase vs Q4FY24)**
- **Worldwide launch of Power Rangers Mighty Force**

## OPERATIONAL SUMMARY

The Company reported a 68% QoQ increase in revenue generated from games during the quarter. The new launch of *Power Rangers Mighty Force* along with contract extensions with key partners assisted the continued growth in baseline revenue.

The Company reported receipts of \$0.7m generated from games during the quarter with total operating outflows of \$2.4m. Whilst operating outflows was down 10% quarter on quarter, a potentially stronger overall performance was hindered by the delayed receipts of government incentives and the timing of receipt for key debtors which fell into October 2024.

State and Federal Government grants and tax incentives owed to Mighty Kingdom at 30 September 2024 for FY24, totals to \$2.2m. MK anticipates that these should be received in the coming months.

## PROJECT HIGHLIGHTS

In partnership with East Side Games Studios ("ESGG"), Mighty Kingdom launched Power Rangers Mighty Force worldwide in August 2024. The team is working closely with ESGG to deliver improvements and content to maximise the game's performance in market. In parallel, Star Trek Lower Decks - The Badgley Directive continues its live operations, delighting players with regular content including a special event in collaboration with Dr Who for Friendship Day.

MK successfully delivered two more games for Google's Fitbit Ace LTE, a kids smartwatch that encourages the next generation of gamers to move. The team moved on to more work with Google as we continue to contribute to Fitbit Arcade's portfolio of amazing games. More of our games are becoming available on the device as Google gradually releases them.

A new contract for work on Gabby's Dollhouse with Spin Master commenced this quarter. During the period, the team have successfully delivered two live releases. The addition of new content and improvements to the core experience are positively impacting the game's performance. Spin Master and MK are in discussion around on-going work for the next calendar year.

The Company continues conversations with potential work-for-hire clients.

## RELATED PARTY TRANSACTIONS

As noted in Item 6 of the Company's Appendix 4C for Q1 FY25 payments to related parties and their associates represented cash benefits of \$183k for executive and non-executive directors.

This announcement has been authorised for release by the Board of Mighty Kingdom Limited.

### For further information, please contact.

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## ABOUT MIGHTY KINGDOM LIMITED

Mighty Kingdom delights more than 7 million players every month and designs game experiences with the world's most recognised brands such as LEGO, Disney, Mattel, Paramount, Moose Spin Master and more, as well as developing its own original games.

Our portfolio of games is crafted from our Adelaide headquarters, with a diverse team of developers from across Australia. Led by a desire to engage and delight players, we make exceptional experiences that connect our diverse talent with millions of people around the world.

We make games with heart. We Love Fun. We want to share it with the world.

We want you to be part of it.

**APPENDIX 4C**
**Quarterly cash flow report for entities  
subject to Listing Rule 4.7B**
**Name of entity**

Mighty Kingdom Limited

**ABN**

39 627 145 260

**Quarter ended ("current quarter")**

30 September 2024

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	680	680
1.2	Payments for		
	(a) research and development	0	0
	(b) product manufacturing and operating costs	(244)	(244)
	(c) advertising and marketing	(5)	(5)
	(d) leased assets	0	0
	(e) staff costs	(2,204)	(2,204)
	(f) administration and corporate costs	(491)	(491)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	13	13
1.5	Interest and other costs of finance paid	(4)	(4)
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives	0	0
1.8	Other – ATO repayment of outstanding tax liabilities	(150)	(150)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(2,405)</b>	<b>(2,405)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
(e) intellectual property	0	0
(f) other non-current assets	0	0
<b>2.2 Proceeds from disposal of:</b>		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	1	1
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0
<b>2.3 Cash flows from loans to other entities</b>	0	0
<b>2.4 Dividends received (see note 3)</b>	0	0
<b>2.5 Other (provide details if material)</b>	0	0
<b>2.6 Net cash from / (used in) investing activities</b>	<b>1</b>	<b>1</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2 Proceeds from issue of convertible debt securities	0	0
3.3 Proceeds from exercise of options	0	0
3.4 Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5 Proceeds from borrowings	0	0
3.6 Repayment of borrowings	(62)	(62)
3.7 Transaction costs related to loans and borrowings	0	0
3.8 Dividends paid	0	0
3.9 Other (provide details if material)	0	0
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(62)</b>	<b>(62)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	3,367	3,367
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,405)	(2,405)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1	1
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(62)	(62)
4.5	Effect of movement in exchange rates on cash held	(10)	(10)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>891</b>	<b>891</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	891	3,367
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>891</b>	<b>3,367</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	183
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	0	0
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
<b>7.4 Total financing facilities</b>	<b>0</b>	<b>0</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>0</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,405)
8.2 Cash and cash equivalents at quarter end (item 4.6)	891
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	891
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>0.4</b>
If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? <i>No, the company continues to reassess its cost base and expectations around future financial performance based on the outlook for itself and the industry as a whole. There is an expectation that net operating cash burn will continue to reduce as efficiency gains are made within the business and new products monetise in market.</i>	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? <i>Funding of future cash requirements will likely take place via equity issuance. The company has a strong track-record in raising capital and has engaged financial advisors to assist in any future process.</i>	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? <i>The company has a strong expectation that future operations will continue unimpeded with continuing Business Development and corporate initiatives aiming to grow overall revenue and profitability.</i>	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **31 October 2024**

Authorised by: **By the Board**

(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.