

# MIGHTY KINGDOM QUARTERLY ACTIVITIES UPDATE AND APPENDIX 4C

**Quarter Ended 31 March 2025**

Mighty Kingdom Limited (ASX: MKL) ("MK" or the "Company"), is pleased to provide its Quarterly Activities Update and Appendix 4C for the March 2025 Quarter ("Q3 FY25").

## QUARTERLY NOTES

- **Quarterly operating cash inflow of \$388K**
- **Operating costs down 17% versus Q2 FY25**
- **Completion of review process delivering annual cost savings of \$2.5m**

## OPERATIONAL SUMMARY

The Company has reported a cash inflow of \$388K for the quarter despite incurring one-off costs associated with the review process (announced to ASX 17 February 2025). State and Federal Government grants and tax incentives of \$2.0m was received in March 2025 Quarter.

Operating costs have continued to decrease by 17% from Q2 FY25 and we expect this downward trend to continue. This reflects the impact of ongoing cost optimisation initiatives and improved operational efficiencies.

## CAPITAL MANAGEMENT SUMMARY

In February 2025, Mighty Kingdom repaid the debt facility up to the value of \$1.2m. The debt facility that was drawn down to \$678,000 was repaid to debt holders following the receipt of the R&D and DGTO Government rebates in accordance with the terms of the facility.

## PROJECT HIGHLIGHTS

Our ongoing partnership with ESG remains central to our live operations strategy, with Star Trek Lower Decks: The Badger Directive and Power Rangers Mighty Force continuing to deliver strong results throughout the quarter. Both titles benefitted from a steady flow of new content, which kept players engaged, and contributed to a sustained and active user base. The team remained focused on delivering updates that respond to player behaviours and feedback, ensuring each new release feels fresh and well-timed.

Both titles have a broad roadmap of feature tuning and content planning, created in collaboration with our licensing partners Paramount and Hasbro. With a solid cadence of delivery in place, and a dedicated community around both games, these projects continue to show long term value and potential.

MK successfully finalised the development of two games for Google's Fitbit Ace LTE, continuing to exceed Google's high expectations. The team have moved on to developing an additional two games to contribute to Fitbit Arcade's portfolio and continue our long-term partnership with Google.

The Company continued conversations with potential work-for-hire clients. This included attending Game Developers Conference (GDC) in March 2025 in San Francisco and meeting with a range of potential partners.

## KEY APPOINTMENTS AND RELATED PARTY TRANSACTIONS

The Company announced the appointment of Dylan Miklashek as Interim CEO and Duncan Gordon as Non-Executive Chair on 22 January 2025.

Dylan Miklashek has over 25 years' experience in the video game industry working for Gameloft, EA, Pandemic and THQ. He has worked in a number of different leadership roles including Director of Development, Executive Producer, Creative Director and Studio General Manager.

Duncan Gordon has extensive experience as a corporate and financial advisor in the technology sector. Duncan is a related party to Cerberus Advisory, a firm that provides Corporate Advisory services to MK. As noted in Item 6 of the Company's Appendix 4C for Q3 FY25, payments to related parties and their associates represented cash benefits of \$43k for executive and non-executive directors. These payments include superannuation payments to a previous executive director and Cerberus Advisory. Given the existing relationship, Duncan does not receive director's fees for his role as Non-Executive Chair.

## OUTLOOK

On the 8 April 2025, the Company announced it is undergoing a Capital Raising to strengthen growth and operations. The completion of the first stage of the capital raise, the Institutional Component of Entitlement Offer, has successfully raised approximately \$530,000. The next stage, the Retail Entitlement Offer, is currently underway. The capital raising of up to approximately \$3.35 million will be used to fund growth initiatives and enhance the financial position of the Company.

MKL continues to reduce costs to drive profitability and minimise cash burn while continuing to service our ongoing contracts effectively, this will involve what is expected to be continual incremental change at all levels of the Company's operations including staff, management and Board. The Company continues to actively pursue work for hire opportunities with new and existing partners.

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

**For further information, please contact.**

**Duncan Gordon**

Non Executive Chair

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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 base, 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")**

31 March 2025

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	921	3,171
1.2	Payments for		
	(a) research and development	0	0
	(b) product manufacturing and operating costs	(238)	(644)
	(c) advertising and marketing	(4)	(9)
	(d) leased assets	0	0
	(e) staff costs	(1,798)	(5,811)
	(f) administration and corporate costs	(269)	(1,165)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	2	18
1.5	Interest and other costs of finance paid	(113)	(122)
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives	2,036	2,036
1.8	Other – ATO repayment of outstanding tax liabilities	(149)	(448)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>388</b>	<b>(2,974)</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
	(e) intellectual property	0	0

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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
(f) other non-current assets	0	0
2.2 Proceeds from disposal of:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	4	6
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0
2.3 Cash flows from loans to other entities	0	0
2.4 Dividends received (see note 3)	0	0
2.5 Other (provide details if material)	0	0
<b>2.6 Net cash from / (used in) investing activities</b>	<b>4</b>	<b>6</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	200	525
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	(565)	(627)
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>(365)</b>	<b>(102)</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	275	3,367
4.2 Net cash from / (used in) operating activities (item 1.9 above)	388	(2,974)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	4	6

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(365)	(102)
4.5	Effect of movement in exchange rates on cash held	(5)	0
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>297</b>	<b>297</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	297	275
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>297</b>	<b>275</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	43
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) – debt facility with converting loan	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)	388
8.2 Cash and cash equivalents at quarter end (item 4.6)	297
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	297
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6	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? N/A
	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? N/A
	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? N/A
<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: **30 April 2025**

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.