

**ASX CODE:** MKL**CAPITAL STRUCTURE**

Share Price (26/9/22)	\$0.033
Shares on Issue (m)	209.7
Market Cap	\$6.9m




**MAJOR SHAREHOLDERS**

Philip Mayes	25.0%
Phoenix Portfolios	10.4%
Gamestar+	7.7%
iCandy Games	5.6%
Regal Funds Mgmt.	4.9%

**BOARD & MANAGEMENT****Michelle Guthrie***Chair***Philip Mayes***Managing Director***Megan Brownlow***Non-Executive Director***Gabriele Famous***Non-Executive Director***Ian Hogg***Non-Executive Director***Melanie Fletcher***Non-Executive Director***David Butorac***Non-Executive Director***Amy Guan***Chief Financial Officer***Kaitlin Smith***Company Secretary***CONTACT****T:** +61 8 7200 3252**E:** hello@mightykingdom.com**W:** www.mightykingdom.com**A:** Lv4, 121 King William St,  
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## MIGHTY KINGDOM TO IMPROVE UTILISATION OF DEVELOPER TEAM, REDUCE COSTS AS REVENUE CONTINUES TO INCREASE

### Highlights

-  Immediate implementation of strategy to maximise utilisation of developer team together with cost control measures
-  Strong contracted revenue increase anticipated through FY2023
-  Initiatives aim to deliver operational cashflow break-even by Q3 FY2023

**27 September 2022** – Following the 11<sup>th</sup> of August ASX release regarding the appointment of three new non-executive directors, Mighty Kingdom Limited (“**MK**” or the “**Company**”) wishes to provide an update on further changes being undertaken by the Company.

MK is aiming to deliver a more sustainable business model to achieve a target of being operational cashflow break-even by Q3 FY2023.

This process led by the Board of Directors and senior management, has a focus on streamlining the business through improving efficiency, cost control measures and additional oversight at the finance level. Resources will be optimised to deliver shareholder value without losing the opportunity to capture new business.

### Driving increased developer utilisation

In addition to focusing on revenue growth, MK will implement an efficiency improvement and cost control strategy which will aid in achieving the target of being operational cashflow break-even by Q3 FY2023.

This strategy is being driven by target utilisation of >90% across the developer base by January 2023 together with streamlining the administration function of the business.

Implementation of this strategy is to be conducted with immediate effect inclusive of the following actions:

- Reduction of FTE within the developer and administration teams;
- Focus on tighter cost control around all areas of the business;
- Reduction of other fixed costs with significant savings to be made in IT, subscriptions and other operations related business activities.

The Company has considered both project resourcing and cashflow impact as part of the decision-making process and concluded that the FTE reduction can be achieved with limited impact on the Company's discretionary project milestones.

MK's Chief Technology Officer is driving change at the team level with a focus on systems and processes to drive communication and accountability across all projects. These changes are currently being executed throughout the organisation and are being met with positivity.

In addition, a Finance Subcommittee of the Board has been formed to assist in ensuring accurate forecasting moving forward.

The execution of the above initiatives will result in a significant realignment of MK's cost base, with an initial recurring cost saving of approximately \$350,000 per month.

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## Revenue Guidance

During the past 6 months, the Company has made significant inroads in securing additional Work for Hire and Co-development revenue.

Reflecting the focus around establishing relationships with top-tier counterparties, it is expected that this will crystallise in the short to medium term with budgeted monthly contract revenue anticipated to increase significantly by the end of FY2023.

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## Capital Raising Update

With respect to the Company's ASX release of 4<sup>th</sup> August 2022 regarding a \$7.0m placement to Sophisticated and Professional Investors, Tranche 2 of this placement will be completed subject to shareholder approval at a General Meeting of shareholders.

Noting the introduction of Shane Yeend (via Gamestar+) taking a significant equity position in the Company, an Independent Experts Report (IER) is being prepared to form the basis of an Explanatory Memorandum as part of the Notice of Meeting in order to allow shareholders to properly consider the merits of the transaction.

It is anticipated that this Notice of Meeting will be lodged with the ASX by early October.

**Managing Director and CEO of Mighty Kingdom, Philip Mayes commented:**

*"After an extensive internal review, we are actioning cost saving initiatives that we see as a turning point in the Company's advance towards cashflow break-even and future profitability. This process, in conjunction with an anticipated strong revenue lift by the end of this calendar year, will ensure our people are placed in the best possible positions and are able to work as efficiently as possible to deliver shareholder returns.*

*We look forward to the positive effect these changes will have as we leverage our world class creative team and reputation to unlock long-term value for our shareholders."*

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**

Since its formation in 2010, Mighty Kingdom has released over 50 games that have been downloaded more than 50 million times. These games include the popular Shopkins, LEGO Friends: Heartlake Rush, Gabby's Dollhouse, Wild Life and Ava's Manor. Mighty Kingdom is one of the largest independent game developers in Australia, working with top tier entertainment and gaming companies including Disney, LEGO, Sony, Funcom, Rogue, and Snapchat. A team of experienced developers with significant experience across mobile and console platforms supports its clients to develop high-quality, successful games whilst driving Mighty Kingdom's internal IP development.