



Mighty Kingdom Limited (ASX: MKL) ABN: 39 627 145 260

APPENDIX 4D & FINANCIAL STATEMENTS

Half Year Ended 31 December 2024



CONTENTS

Results for Announcement	3
Directors' Report	4
Auditor's Independence Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Consolidated Financial Statements	14
Directors' Declaration	21
Independent Auditor's Report	22

Company Details

Name of entity:	Mighty Kingdom Limited ("Mighty Kingdom" or "the Company")
ABN:	39 627 145 260
Reporting period:	For the half year ended 31 December 2024 ("H1 FY25")
Previous comparative period (PCP):	For the half year ended 31 December 2023 ("H1 FY24")

Results for announcement to the market

			% change on PCP	\$'000
Revenue from ordinary activities	down	32%	to	2,540
Loss from ordinary activities after tax attributable to members	down	17%	to	(1,695)
Loss for the reporting period attributable to members	down	17%	to	(1,695)

Dividends (distributions)	Amount per share	Franked amount per share
Final Dividend	Nil ¢	Nil ¢
Interim Dividend	Nil ¢	Nil ¢
Previous corresponding period	Nil ¢	Nil ¢
Record date for determining entitlements to the dividends	N/A	N/A

Overview of operating results

Refer to the review and results of operations included within the Directors' Report for further commentary on the results of Mighty Kingdom.

Net tangible assets

Net tangible assets per ordinary security (cents per share)	0.57 ¢	1.34 ¢
---	--------	--------

The net tangible asset per ordinary security is calculated based on 216,063,408 ordinary shares at 31 December 2024 and 214,396,202 (3,215,943,034 prior to the 15:1 share consolidation event that occurred on 30 August 2024) ordinary shares at 30 June 2024.

Independent auditor's review

The financial statements were subject to an independent auditor's review by Grant Thornton Audit Pty Ltd. The independent auditor's review report is attached as part of the Interim Report.

This report should be read in conjunction with any public announcements made by Mighty Kingdom Limited and its controlled entities during the half year ended 31 December 2024 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and ASX listing rules.

DIRECTORS' REPORT

The Directors of Mighty Kingdom Limited present their report together with the consolidated interim financial statements of Mighty Kingdom Limited (the "Company" or "Mighty Kingdom") and its controlled entities (the "Group") for the half year ended 31 December 2024.

Directors

The following persons were Directors of Mighty Kingdom Limited during the half year ended 31 December 2024 and up to the date of this report.

Name	Role	Type	Status
Mr David Butorac	Chair (Non-Executive)	Independent	Resigned 22 nd January 2025
Mr Ian Hogg	Director (Non-Executive)	Independent	Resigned 27 th November 2024
Mr Mark Aubrey	Director (Non-Executive)	Independent	
Mr Chris Whiteman	Director (Non-Executive)	Independent	
Mr David Yin	Managing Director	Not Independent	Resigned 22 nd November 2024
Mr Duncan Gordon	Chair (Non-Executive)	Independent	Appointed 22 nd January 2025

Company Secretary

Name

Ms Katelyn Adams

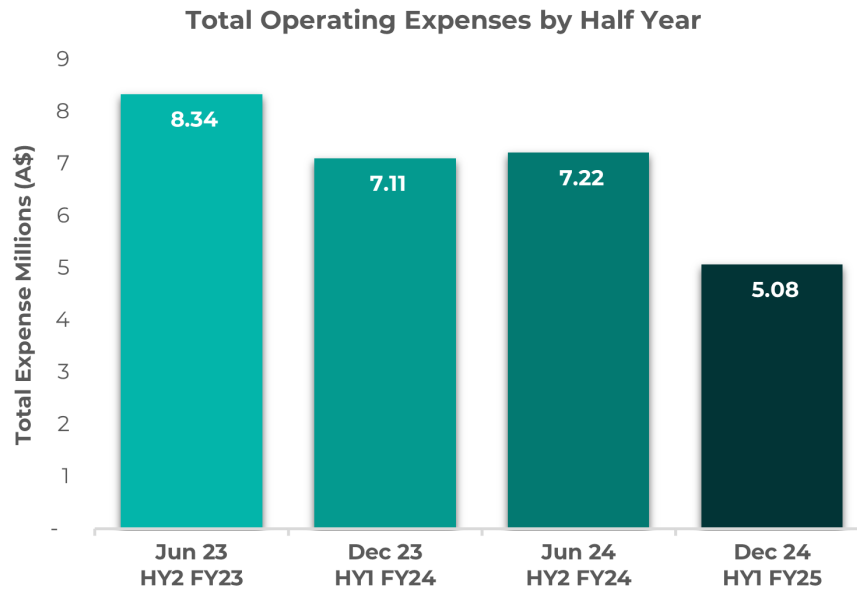
Review and results of operations

Financial highlights

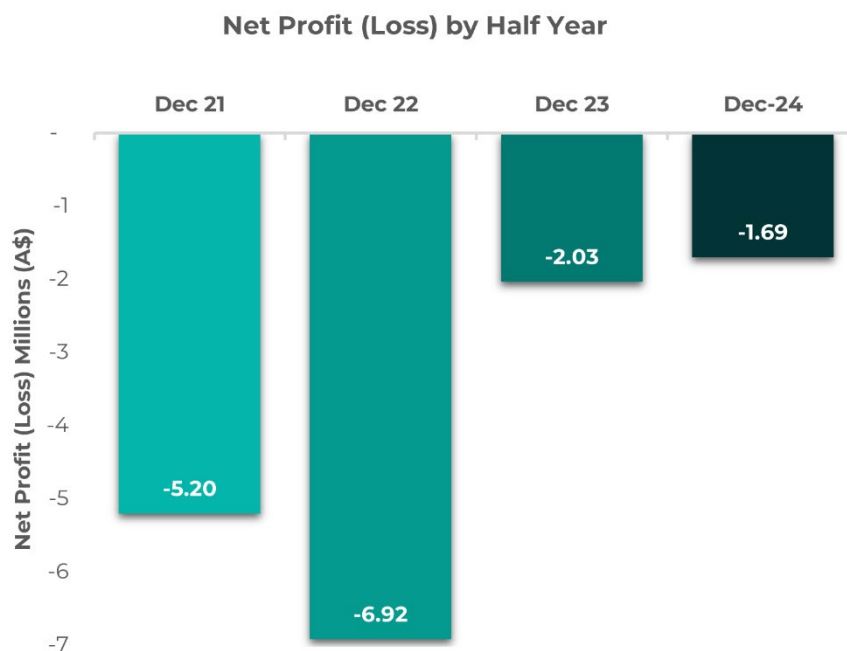
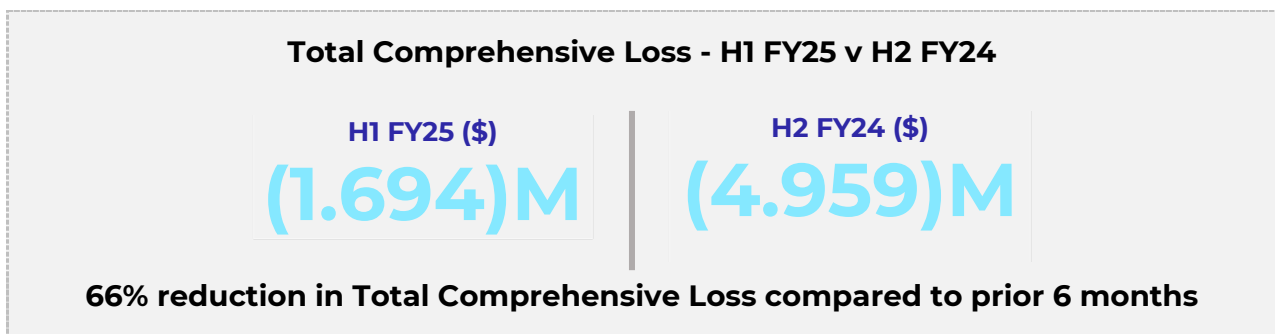
- \$2.5m in Game revenue reported, up 85% compared to prior 6 months (H2 FY24)
- Significant reduction in operating costs of 29% compared to prior comparative period ("pcp") and 30% compared to prior 6 months (H2 FY24).
- Total Comprehensive Loss for the year of (\$1.7m), a reduction of 17% compared to pcp and a further 66% compared to previous 6 months (H2 FY24).

Operational highlights

- A continued focus on operational improvements, delivering further cost reductions and improved operational efficiency.
- Contract renewals with Spin Master and Google underpinning a strong business relationship with key partners.
- The Group continued its 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 global launch on 9 August 2024. Additional content and gameplay will continue to be developed throughout the current financial year.
- Changes within Board and Key management with Duncan Gordon appointed to the role of Chair. In addition, Dylan Miklashek was appointed as Interim Chief Executive Officer following the resignation of David Yin in November 2024.



30% reduction in operating expenses compared to prior 6 months



17% reduction in Total Comprehensive Loss compared to pcip

Review of Results

The Group present its results for the six months ended 31 December 2024.

The first half of the financial year has seen Mighty Kingdom continue work with its long-time key partners in Google, Spin Master and East Side Games Group ("ESG"). Our partnership with ESG brought a successful launch of Power Rangers: Mighty Force on the Apple App Store and Google Play store, along with continued work on Star Trek Lower Decks: The Badgley Directive. Our work with Google saw the launch of two more games on the successful Fitbit Ace LTE device with more work currently in development. Additional work with Spin Master was finalised in time for the holiday season to enhance their globally popular Gabby's Dollhouse.

The Group focus has been on driving down costs and improving project delivery efficiency. Game revenue \$2.5m (current financial year "H1 FY25"), was down \$1.1m and 32% from the prior comparative period ("pcp") but up \$1.1m and 85% from the prior 6 months ("H2 FY24"). This was offset by a significant reduction in operating expenses \$5.1m, down \$2.1m and 30% compared to H2 FY24. Overall, this placed the Group in a total comprehensive loss position of \$1.7m an improvement of 17% pcp, and 66% compared to H2 FY24. The Board appreciates losses of this nature are not acceptable nor sustainable, with changes to management and the Board of Directors reflecting this.

The Group held \$275k cash on hand at 31 December 2024. This figure reflected significant delays from government bodies in administering the Digital Games Tax Offset, Research and Development Incentive and South Australian Video Games Developer Grant. Overall, \$2.1m in government incentives for FY24 were unreceipted at 31 December 2024, leading to a larger than usual trade receivables balance (\$3.7m). The flow on led to operating cash outflow for the period of \$3.3m, when adjusted for these incentives, cash outflow for the period was nearly equal with the pcp.

The Group explored M&A activity and remains open to value accretive opportunities with the right partners in the technology space.

Mighty Kingdom would like to thank and acknowledge the services of former chair David Butorac along with former Non-Executive Director Ian Hogg, and former CFOO Simon Rabbitt. The Group has since appointed Duncan Gordon to Independent Non-Executive Director and Chair, and Dylan Miklashek to Interim CEO.

During the period, the Group announced a consolidation of issued capital on a 15 fully paid ordinary shares to 1 basis. Further, the Group entered into a secured converting debt arrangement with sophisticated and professional investors raising a further \$325,000 in December 2024. A facility of up to \$1.2m is available for the company, if it should be required. As the notes cannot be converted to shares unless shareholder approval is obtained, the debt is treated as a secured loan. All holders elected to have their loans repaid, which was completed in February 2025.

Significant changes in the state of affairs

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

(a) Senior Management Changes

On 19 August 2024, the Group announced the resignation of its Chief Financial and Operating Officer (CFOO) Simon Rabbitt, with Simon subsequently stepping down on 18 October 2024.

On 11 September 2024, Chief Technology Officer (CTO) Grant Osborne announced his resignation subsequently stepping down 18 October 2024.

On 22 November 2024, David Yin resigned as the Group's Managing Director.

On 22 January 2025, Dylan Miklashek was appointed to the Interim Chief Executive Officer position.

(b) Director Changes

On 22 November 2024, David Yin resigned as an Executive Director of the Group.

On 27 November 2024, Ian Hogg resigned as a Non-Executive Director and Chair David Butorac was not reappointed as a Director of the Group. David subsequently resigned as a director on 22 January 2025.

On 22 January 2025, Duncan Gordon was appointed as Chair of the Group

(c) Consolidation of capital

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 (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 been amended in inverse proportion to the consolidation ratio. The consolidation process was completed on 30 August 2024 and in line with listing rule 7.22.1.

(d) Secured Loan

On 27 December 2024, Mighty Kingdom entered into a secured converting debt arrangement with sophisticated and professional investors to raise up to \$1,200,000. A total of \$678,000 was raised under this arrangement. The terms of the arrangement provide that this debt cannot be converted to fully paid ordinary shares unless shareholder approval is received. Accordingly, the debt is treated as a secured loan until such shareholder approval is received. The debt totalling \$678,000 (including interest) was secured against the Group's Digital Games Tax Offset ("DGTO").

Events arising since the end of the reporting period

(a) Secured Loan

At 31 December 2024, Mighty Kingdom had received \$325,000 of the \$1,200,000 facility. A further \$353,000 was drawn down in January 2025, making the total facility drawn down of \$678,000 (including interest). The full amount of the current facility was repaid in February 2025.

(b) Government funding received

On 26 January 2025, Mighty Kingdom received \$1,809,285 in government incentives through its FY24 tax return. Of the amount received, \$1,152,056 relates to the DGTO benefit and \$657,229 relates to the R&D tax incentive.

(c) Business review process

On 10 February 2025, the Company announced a review to change its management structure and further reduce its cost base. On 17 February 2025, the company announced this review had been completed and changed enacted. These changes bring a flatter management structure and potential cost savings in excess of \$2.5 million annually.

Looking Forward

The changes over the past year including the management structure, cost reductions and improved efficiencies, the Group has a firm foundation for delivering a sustainable business model. It is anticipated, the now robust studio operations will put the Company in a position to better assess new opportunities, leading to generating shareholder value. There is a clear continued focus on driving to profitability.

There were no other matters or circumstances that have arisen since 31 December 2024 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included on page 9 of this financial report and forms part of this Directors' Report.

Signed on behalf of the Board of Mighty Kingdom Limited

Duncan Gordon

Chair

27 February 2025

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

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 review of Mighty Kingdom Limited for the half-year ended 31 December 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 27 February 2025

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Notes	Dec 2024 \$	Dec 2023 \$
Revenue	3	2,540,093	3,728,695
Other income	4	833,502	1,394,573
Employee benefits expense	5	(3,896,301)	(5,049,831)
Product development support service fees		(265,383)	(384,994)
Administrative expenses		(633,872)	(751,635)
Professional and consultancy fees		(216,380)	(291,011)
Depreciation and amortisation		(34,068)	(303,720)
Expected credit loss		-	(330,747)
Other expenses		(29,174)	-
Loss from operations		(1,701,583)	(1,988,670)
Finance expenses		(9,232)	(56,636)
Finance income		16,002	13,436
Loss before income tax		(1,694,813)	(2,031,870)
Income tax benefit		-	-
Loss after income tax		(1,694,813)	(2,031,870)
Other comprehensive income / (loss) for the year, net of income tax		-	-
Total comprehensive loss for the period		(1,694,813)	(2,031,870)
Loss per share - basic and diluted	12	(0.01)	(0.01)

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	Dec 2024 \$	Jun 2024 \$
Assets			
Current assets			
Cash and cash equivalents	6	275,863	3,366,636
Trade and other receivables	7	3,708,329	2,539,045
Prepayments		302,220	427,379
Contract assets		-	86,183
Other current assets		24,413	454
Total current assets		4,310,825	6,419,697
Non-current assets			
Property, plant and equipment		106,604	139,803
Total non-current assets		106,604	139,803
Total assets		4,417,429	6,559,500
Liabilities			
Current liabilities			
Trade and other payables	8	1,909,625	2,722,047
Contract liabilities		214,928	121,180
Employee benefits	9	587,389	589,160
Borrowings	10	325,000	-
Total current liabilities		3,036,942	3,432,387
Non-current liabilities			
Employee benefits	9	146,654	197,282
Total non-current liabilities		146,654	197,282
Total liabilities		3,183,596	3,629,669
Net assets		1,233,833	2,929,831
Equity			
Share capital	11	40,427,304	40,428,489
Share-based payment reserves		3,288,194	3,288,194
Retained losses		(42,481,665)	(40,786,852)
Total equity		1,233,833	2,929,831

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Share capital \$	Share- based payment reserve \$	Retained losses \$	Total \$
Balance at 1 July 2023	35,211,572	1,837,087	(33,794,991)	3,253,668
Loss for the year	-	-	(6,991,861)	(6,991,861)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(6,991,861)	(6,991,861)
Transactions with owners in their capacity as owners:				
- 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)
Balance at 30 June 2024	40,428,489	3,288,194	(40,786,852)	2,929,831
Loss for the period	-	-	(1,694,813)	(1,694,813)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(1,694,813)	(1,694,813)
Transactions with owners in their capacity as owners:				
- Transaction costs	(1,185)	-	-	(1,185)
Balance at 31 December 2024	40,427,304	3,288,194	(42,481,665)	1,233,833

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Dec 2024 \$	Dec 2023 \$
Operating activities		
Receipts from customers	2,232,903	4,078,850
Payments to suppliers and employees	(5,508,615)	(7,669,916)
Research and development incentive	-	1,892,010
Other government grant income	-	466,129
Other income	-	222,372
Interest received	16,002	13,436
Interest paid	(9,232)	(50,952)
Net cash (used in) operating activities	(3,268,942)	(1,048,071)
Investing activities		
Purchase of property, plant and equipment	(3,272)	-
Proceeds from sale of property, plant and equipment	1,726	39,460
Net cash provided by / (used in) investing activities	(1,546)	39,460
Financing activities		
Proceeds from issue of shares	-	941,500
Costs incurred from the issue of shares	(1,185)	(75,619)
Lease payments	-	(204,320)
Proceeds from borrowings	180,900	613,000
Net cash provided by financing activities	179,715	1,274,561
Net change in cash and cash equivalents held	(3,090,773)	265,950
Cash and cash equivalents at beginning of the period	3,366,636	301,785
Cash and cash equivalents at end of period	275,863	567,735

This statement should be read in conjunction with the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

1.1 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 and Google's Google Play. 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.

2.1 Summary of significant accounting policies

(a) Basis of preparation of the financial report

The Interim Financial Statements are for the six months ended 31 December 2024 and have been prepared in accordance with AASB 134 'Interim Financial Reporting'. They do not include all the information required in annual financial statements in accordance with AASB and should be read in conjunction with the consolidated financial statements for the year ended 30 June 2024.

This financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The Interim Financial Statements have been approved for issue by the Board of Directors on 27 February 2025.

(b) 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 Company.

Critical accounting estimates and judgements have been made consistently with those applied at 30 June 2024.

(c) 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. The Board of Directors consists of the Executive Directors and the Non-Executive Directors.

2.2 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 half year ended 31 December 2024 the Group was in a net asset surplus of \$1.2m, generated a loss of \$1.7m for the half year and had cash outflows from operating activities of \$3.3m.

The Directors believe that there are reasonable grounds that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The ability to issue share capital under the Corporations Act 2001, by a share purchase plan, share placement or rights issue;
- The business continues to undertake a cost reduction plan with a focus on profitability and cashflow improvement with measures including:
 1. Right sizing of business to ensure effective utilisation of resources on current contracted and high-confidence future contract work;
 2. Focus on successful execution of contracts with Google and Spin Master, and continued maintenance of games in market with East Side Games Group which provide a level of revenue certainty; and
 3. On-going operational review to improve efficiency for delivery and reduce unnecessary business expenditure.
- Cashflow forecasts have been prepared on a conservative basis with the business expectation that if it can deliver on its core strategic objectives that this will deliver financial upside
- The Group continues to meet its repayment obligations with the Australian Tax Office

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.

Should the Group not achieve these outcomes, there may be material uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

2.3 New accounting standards and interpretations adopted during the half year

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There has been no impact to the Group during the period. There are no new Accounting Standards and Interpretations issued by the AASB that have become effective in the current accounting period and that are applicable to the Group.

2.4 Standards issued but not yet effective

The Group has not applied any Australian Accounting Standards or interpretations that have been issued as at balance date but are not yet operative ("the inoperative standards"). The Group only intends to adopt the inoperative standards at the date at which their adoption becomes mandatory.

3 Revenue

	Dec 2024 \$	Dec 2023 \$
External IP - contract income	1,637,947	2,939,469
External IP - royalty income	902,146	789,226
	2,540,093	3,728,695
Recognised over time	2,540,093	3,728,695

4 Other income

	Dec 2024 \$	Dec 2023 \$
Government grant income		
- SA video game development grant ⁽ⁱ⁾	137,834	175,418
- Digital games tax offset ⁽ⁱⁱ⁾	454,054	714,510
Research and development tax incentive ⁽ⁱⁱⁱ⁾	199,666	280,458
Other income	41,948	224,187
	833,502	1,394,573

(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 with South Australian staff. 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 federal government incentive that allows qualifying businesses to receive a 30% tax offset on qualifying expenditure.

(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

	Dec 2024 \$	Dec 2023 \$
Wages and salaries	3,427,741	4,418,641
Contributions to defined contribution superannuation funds	365,947	492,705
Annual and long service leave expense	(52,399)	(102,067)
Payroll tax expense	145,098	230,551
Other employee benefits	9,914	10,001
	3,896,301	5,049,831

6 Cash and cash equivalents

	Dec 2024 \$	Jun 2024 \$
Cash and cash equivalents consist of the following		
Cash at bank and in hand:		
- Held in Australian Dollars	101,153	2,757,214
- Held in United States Dollars	174,710	609,422
	275,863	3,366,636

7 Trade and other receivables

	Dec 2024 \$	Jun 2024 \$
Trade receivables	395,392	131,170
Other receivables	818,547	483,501
GST receivable	35,777	119,481
Digital games tax offset receivable	1,617,854	1,163,800
Research and development incentive receivable	840,759	641,093
	3,708,329	2,539,045

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

8 Trade and other payables

	Dec 2024 \$	Jun 2024 \$
Current		
Trade payables	489,584	675,769
Accrued expenses	358,087	545,553
PAYG payable ⁽ⁱ⁾	394,067	696,276
Payroll liabilities	585,387	660,349
Other payable	82,500	144,100
	1,909,625	2,722,047

(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 a two-year period, which related to its outstanding PAYG withholding obligations ("Payment Plan"). In the current financial year, the Company has received a formal extension to complete the payment plan by July 2025.

9 Employee Benefits

	Dec 2024 \$	Jun 2024 \$
Current		
Provision for annual leave	291,192	384,189
Provision for long service leave	296,197	204,971
	587,389	589,160
Non-current		
Provision for long service leave	146,654	197,282

10 Borrowings

	Dec 2024 \$	Jun 2024 \$
Current		
Secured loan ⁽ⁱ⁾	325,000	-
	325,000	-

(i) Secured loan balance drawn down as at the reporting date.

In December 2024 Mighty Kingdom entered into a secured convertible note facility, subject to future shareholder approval, with sophisticated and professional investors, to raise up to \$1.2 million. In January 2025, an additional \$353,000 was drawn down from the facility. The terms of the notes provide that the notes cannot be formally issued unless shareholder approval is received. Accordingly, at 31 December 2024, the funds received are treated as a secured loan. Until such time as shareholder approval is received the funds received are secured against the Group's Digital Games Tax Offset ("DGTO"). The entire amount of the facility was repaid in February 2025 upon receipt of the DGTO funds.

11 Share capital

	Notes	Dec 2024 Shares	Jun 2024 Shares	Dec 2024 \$	Jun 2024 \$
Ordinary shares - fully paid	(a)	216,063,408	3,215,943,034	40,427,304	40,428,489

(a) Movements in ordinary share capital

	Note	Number of Shares	Total \$
Balance at beginning of the year		3,215,943,034	40,428,489
Shares issued, net of transaction costs		-	(1,185)
Share Consolidation ⁽ⁱ⁾		(2,999,879,626)	-
Balance at end of the period		216,063,408	40,427,304

(i) On 30 August 2024, the group completed a 15:1 consolidation where every (15) fully paid ordinary shares were consolidated into (1) fully paid ordinary share. This was approved by shareholders at the Extraordinary General Meeting held on 16 August 2024.

Shares in controlled entities

Name and interest in controlled entity	Equity Interest Held	
	Dec 2024	Jun 2024
	%	%
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

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

12 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 Group by the weighted average number of ordinary shares in issue during the year.

	Dec 2024	Dec 2023
Net loss attributable to equity holders of the Company (\$)	(1,694,813)	(2,031,870)
Weighted average number of ordinary shares ⁽ⁱ⁾	216,063,408	252,219,699
Basic loss per share (\$)	(0.01)	(0.01)

(i) On 30 August 2024, the group completed a 15:1 consolidation where every (15) fully paid ordinary shares were consolidated into (1) fully paid ordinary share. This was approved by shareholders at the Extraordinary General Meeting held on 16 August 2024. December 2023 has been prepared on the basis of this consolidation.

13 Related party transactions

The Group's related parties are as follows:

(a) Key management personnel of the Group

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 Group

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:

	Dec 2024	Jun 2024
	\$	\$
Key management personnel		
Borrowings from Chris Whiteman (Non-Executive Chair)	25,000	

14 Subsequent events

(a) Secured Loan

At 31 December 2024, Mighty Kingdom had received \$325,000 of the \$1,200,000 facility. A further \$353,000 was drawn down in January 2025, making the total facility drawn down of \$678,000 (including interest charges). The full amount of the current facility was repaid in February 2025.

(b) Government funding received

On 26 January 2025, Mighty Kingdom received \$1,809,285 in government incentives through its FY24 tax return. Of the \$1,809,285, \$1,152,056 relates to the DGT0 benefit and \$657,229 relates to the R&D tax incentive.

(c) Business review process

On 10 February 2025, the Company announced a review to change its management structure and further reduce its cost base. On 17 February 2025, the company announced this review had been completed and changed enacted. These changes bring a flatter management structure and potential cost savings in excess of \$2.5 million annually.

There were no other matters or circumstances that have arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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 10 to 20,
 - (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 31 December 2024 and of the performance for the year ended on that date of the Company and consolidated Company.
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 is made in accordance with a resolution of the Directors.



Duncan Gordon

Chair

27 February 2025

Independent Auditor's Review Report

To the Members of Mighty Kingdom Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Mighty Kingdom Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and 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 half-year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Mighty Kingdom Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2.2 in the financial report, which indicates that the Group incurred a net loss of \$1,694,813 and had cash outflows from operating activities of \$3,270,488 during the half-year ended 31 December 2024. As stated in Note 2.2, these events or conditions, along with other matters as set forth in Note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

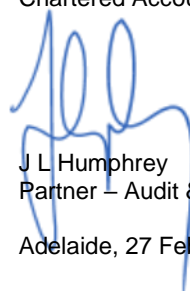
Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 27 February 2025