



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

# ASX APPENDIX 4E

Year Ended 30 June 2024

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## Company Details

<b>Name of entity:</b>	Mighty Kingdom Limited ("Mighty Kingdom" or "the Group")
<b>ABN:</b>	39 627 145 260
<b>Reporting period:</b>	For the year ended 30 June 2024 ("FY24")
<b>Previous period:</b>	For the year ended 30 June 2023 ("FY23")

## Results for announcement to the market

					<b>\$'000</b>
Revenue from ordinary activities	down	26%	to		5,102
Loss from ordinary activities after tax attributable to the owners of Mighty Kingdom Limited	down	23%	to		(6,991)
Loss for the year attributable to the owners of Mighty Kingdom Limited	down	23%	to		(6,991)
Loss before Income tax	down	21%	to		(6,991)

<b>Dividends (distributions)</b>	<b>Amount per share</b>	<b>Franked amount per share</b>
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

## Net tangible assets

	<b>June 2024</b>	<b>June 2023</b>
Net tangible assets per ordinary security	0.09¢	0.85 ¢

## Financial and Operational Results

### Review of results

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

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 key existing partners, with new revenue opportunities hindered by the uncertainty faced by the Company 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 hampering the overall 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.

### Revenue

- 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

Revenue was generated through the significant partnerships and recurring contracts with key clients across MKL's game portfolio.

During the year the Group continued its strong collaboration with East Side Games Group and its portfolio of global IP. Mighty Kingdom continued to expand content and the gameplay for Star Trek Lower Decks to maintain the performance of the game's monetisation efforts. Development of Power Rangers: Mighty Force continued during the year 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).

The Group was also excited to announce its involvement in Google's launch of the Fitbit Ace LTE, a first-of-its-kind kids smartwatch designed to move the next generation of gamers. Google Fitbit launched the watch in June 2024, with the product using kid-centric developed software to encourage movement through gameplay. This launch signifying over 2 years of collaboration with the Google team.

On-going commitment from Spinmaster saw the Company enter multiple contracts for on-going development work on popular children's brand Gabby's Dollhouse.

## Operational Costs

- 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.
- 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.
- One off non-recurring costs in relation to the restructure, legal and corporate advisory, bad debt and finance expenses totalled \$1.6m.

The operational improvements and business protocols enacted by the business, continue to deliver significant improvements in reducing the cost base of the business.

## Loss After Income Tax

- Total loss from operations \$6.8m a reduction of 22% compared to the prior year.
- Total loss after income tax \$7.0m a reduction of 23% compared to the prior year.
- The table below reflects a normalised loss for the Group after adding back non-recurring items incurred. The normalised loss after income tax would have been \$5.4m representing a 33% decrease compared to the prior period normalised loss of \$8.2m.

The Group presents its normalised loss after tax as below:

	2024 \$'000	2023 \$'000
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.

## 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.

**Forward strategy and outlook**

Following successful completion of the equity capital raise totalling a gross \$8.4m the Group has been set up to deliver a restructure path, with a clean balance sheet and forward capital availability for new opportunities. Moving forward your Board and Management Team are enthused about demonstrating the benefits of this process and adding value for shareholders.

**Audit of accounts**

This report is based on the Consolidated Financial Statements and Notes of Mighty Kingdom Limited which are in the process of being audited by Grant Thornton Audit Pty Ltd.

Other information requiring disclosure to comply with ASX listing rule 4.3A is contained in and should be read in conjunction with the unaudited preliminary financial report of Mighty Kingdom Limited for the year ended 30 June 2024 attached to this report.

This release is approved by the Board of Mighty Kingdom Limited.

**Signed on behalf of the Board of Mighty Kingdom Limited**

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**David Butorac**

Chair

30 August 2024



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

# UNAUDITED PRELIMINARY FINANCIAL REPORT

Year Ended 30 June 2024

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

	Notes	2024 \$	2023 \$
Revenue	1	5,102,224	6,931,554
Other income	2	2,380,909	2,918,500
Employee benefits expenses		(10,216,566)	(14,426,218)
Share-based payment expenses		(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		-	(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>	10	<b>(0.01)</b>	<b>(0.03)</b>

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

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**MIGHTY KINGDOM LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	Notes	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	3,366,636	301,785
Trade and other receivables	4	2,539,045	6,408,307
Prepayments		427,379	437,999
Contract assets	8	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	5	139,803	553,772
Right-of-use assets		-	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	7	2,722,047	2,537,756
Contract liabilities	8	121,180	638,216
Employee benefits		589,160	1,027,323
Lease liabilities		-	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	7	-	547,146
Employee benefits		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	9	40,428,489	35,211,572
Share-based payment reserves		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>

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

## MIGHTY KINGDOM LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

#### FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Share capital \$	Share-based payment reserve \$	Retained losses \$	Total \$
<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>(9,093,628)</b>	<b>(9,093,628)</b>
Transactions with owners in their capacity as owners:					
- Proceeds from issue of ordinary shares		4,692,000	-	-	4,692,000
- Shares issued - related party	<b>4</b>	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>(6,991,861)</b>	<b>(6,991,861)</b>
Transactions with owners in their capacity as owners:					
- Proceeds from issue of ordinary shares	<b>9</b>	9,340,529	-	-	9,340,529
- Transaction costs	<b>9</b>	(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>

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

## MIGHTY KINGDOM LIMITED

### 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	250,563
Other government grant income		1,467,004	2,748,125
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>(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)
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>3(a)</b>	<b>3,366,636</b>	<b>301,785</b>

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

**MIGHTY KINGDOM LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE YEAR**  
**ENDED 30 JUNE 2024**

**1 Revenue**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Original IP – Royalty Income	-	7,344
External IP – Contract Income	3,861,091	5,669,580
External IP – Royalty Income	1,241,133	1,254,630
	<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>
	<b>\$</b>	<b>\$</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>

**2 Other income**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
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 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.

### 3 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>

#### (a) Cash and cash equivalents cont.

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

### 4 Trade and other receivables

	2024 \$	2023 \$
Trade receivables	131,170	626,944
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.

## 5 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>

## 6 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.

## 7 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 payable	144,100	-
	<b>2,722,047</b>	<b>2,537,756</b>
<b>Non-current</b>		
PAYG payable <sup>(i)</sup>	-	<b>547,146</b>

(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").

### 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.

## 8 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)
<b>Balance at end of the year</b>	<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 \$121,179 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>

## 9 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.

**(b) Movements in options**

	<b>Number of Options</b>
Balance at beginning of the year	49,991,489
Options forfeited	(12,000,000)
Options lapsed	(1,623,130)
Options issued:	
Key management personnel options	15,000,000
Non-executive director options	20,000,000
Broker options	525,000,000
<b>Balance at end of the year</b>	<b>649,614,614</b>

## 10 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.

	<b>2024</b>	<b>2023</b>
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)

## 11 Contingent liabilities

The Group has no contingent liabilities as at reporting date.

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**Signed in accordance with a resolution of the Directors**

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**David Butorac**  
Chair  
30 August 2024