

CAPITAL STRUCTURE

Share Price (23.07.21)	\$0.17
Shares on Issue (m)	151.7
Market Cap	\$25.0m

MAJOR SHAREHOLDERS

Philip Mayes	34.1%
Regal Funds Mgmt.	11.3%
Alium Capital Mgmt.	7.7%

BOARD & MANAGEMENT

Michelle Guthrie
Chair

Philip Mayes
Managing Director

Tony Lawrence
Executive Director

Megan Brownlow
Non-Executive Director

Gabriele Famous
Non-Executive Director

Amy Guan
Chief Financial Officer

Kaitlin Smith
Company Secretary

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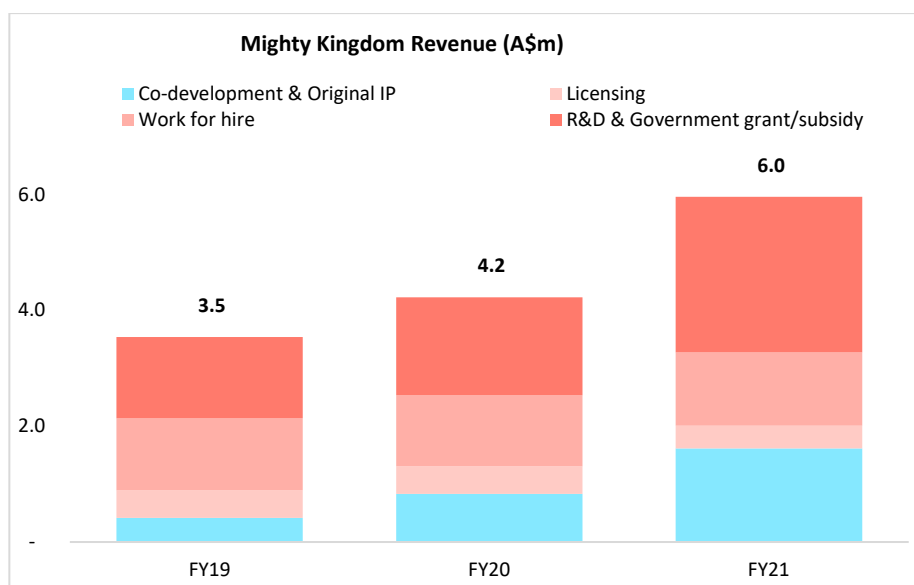
REVENUE UPDATE / FY22 OUTLOOK

Highlights

-  FY21 revenue increased 41% y-o-y to \$6.0 million;
-  Significant growth in original IP and co-development (94% increase in y-o-y revenue) reflecting c.50% of total operating revenue for FY21;
-  Investment in hiring skilled developers will allow the Company to continue ramp up of co-development and original IP;
-  FY22 is expected to be another record year for growth with a strong pipeline of games to be released.

26 July 2021 – Mighty Kingdom Limited (“MK” or the “Company”) is pleased to advise on its unaudited FY21 results and FY22 outlook.

Unaudited FY21 Results



MK enjoyed strong revenue growth in FY21 with total unaudited revenue increasing 41% to A\$6.0m. This growth has been driven by the Company’s focus on licensing deals, original IP game development and additional government grants/rebates. Some revenue expected to fall within FY21 has been deferred to FY22 – predominantly due to COVID related launch delays in the gaming and movie sectors.

With MK utilising the funds raised via its Initial Public Offering to create original IP and co-development games in its pipeline of upcoming releases, the Company expects record growth in FY22.

WFH – Ongoing recurring revenue

MK's Work for Hire ("WFH") business is pivoting to a greater focus on recurring revenues from global, long term clients. Through strong relationships with world class organisations such as Lego and Sony, MK has established itself as one of the most successful WFH developers in the Australian gaming market with industry-leading client retention rates.

MK enjoyed strong growth in the WFH segment driven by projects from existing clients as well as new clients. Highlights during the FY21 period included;

- Significant success of 'Gabby's Dollhouse' with > 5.2m downloads to date leading to an extension of the contract with Spinmaster/Netflix;
- 'Shopkins' contract with Moose Toys extended for the fourth consecutive year;
- Additional extended agreements with partners Eastside Games and Funcom.

As the Company's WFH portfolio of games continues to increase it is anticipated that a greater proportion of WFH revenue will stem from ongoing development arrangements from existing clients to ensure games remain compliant with new versions of IOS/Android. In addition, the Company's working capital flexibility has enabled increased focus on value accretive opportunities.

As at 30 June 2021, 'ongoing development' revenue from existing partners was in excess of A\$2m on an annualised basis. MK anticipates this revenue stream will continue to increase strongly over FY22 and beyond as more games are launched.

Co-development and Original IP

MK's strategy around a measured transition from WFH to co-development (IP sharing with publishers and other game developers) and in due course retaining 100% of game equity via development and publishing will increase earning potential.

As opposed to taking sole-risk on licensing and new IP development, MK has taken a collaborative approach by sharing development costs with game publishers. MK's original IP and co-development projects currently represent c.50% of total operating revenue and the Company expects this proportion of revenue to increase significantly over the next few years.

The Company has significantly ramped up the pipeline of Co-development/original IP games y-o-y, with six games being released/in development in FY21 in comparison to three in FY20. Highlights include:

- Successful launch of 'Ava's Manor' co-development with Uken Games with over 2.2m downloads to date and >US\$4m in total net game revenue¹;
- MK's original concept 'Ball Stars' has now commenced external play testing

MK has invested in advance to recruit industry leading developers that will enable the company to continue the growth of its product pipeline over FY22/23. As a result, MK anticipates future margin expansion and operating leverage as each new release will not require pro rata additional resources.

¹ MK receives a portion of revenue (ex user acquisition and platform costs)

In reviewing the unaudited preliminary results, Managing Director Phillip Mayes said:

“Mighty Kingdom is pleased to announce a record year in terms of growth, game releases and scale of operations. FY21 marks a pivotal year in the Company’s history with record revenues of A\$6.0m and a strategic shift towards producing original IP games and co-development deals to drive future sustainable revenue streams.

Recently the Company has made significant investments in hiring some of the most talented game developers from around Australia and New Zealand, allowing us to expand our pipeline and bring additional original IP games to market. Starting with the release of Wild Life in FY20, we had 3 original IP products in market at the conclusion of FY21. We are planning to bring additional original products to market in FY22 building on technology and insights gleaned from across our portfolio.

With the addition of the licensed games we expect to release this year, as well as all the great work-for-hire projects that we have, it is looking to be a bumper year for us”.

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 growing team of more than 120 staff 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.