

My Kingdom for a bourse

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Phil Mayes, chief executive of Mighty Kingdom Gaming company shows the Sugar Slam game. Picture: Tricia Watkinson

SA games developer to go public

ADELAIDE-based leading Australian games developer Mighty Kingdom has launched a bid to list on the share market through an initial public offer.

The independent game studio, employing 75 people, wants to become a publicly listed company to gain a bigger share of the thriving global games market, forecast to be worth about \$US350bn by 2025.

The business is looking to raise about \$3m in pre-IPO funding before a separate offer of about \$10m opens for retail investors later this year.

The money will allow Mighty Kingdom to fund larger projects and develop its own games to drive its ambitious plans to more than double annual revenues.

Mighty Kingdom generated \$2.8m in revenue in the past financial year, and expects to get to between \$5m and \$12m this financial year.

The company, founded in 2010, has created games – for mobile, console and PC platforms – to fuel the digital reach of some of the world’s leading mobile, toy and entertainment giants, including Snapchat, Disney, LEGO, Sony and Moose Toy (Shopkins).

“It was always my goal to take Mighty Kingdom public,” founder and chief executive officer Phillip Mayes, who currently owns 73 per cent of the business, said.

“The aim is to develop several original multi-platform projects at the same time, as well as take on larger projects for higher returns.”

Mr Mayes wants to expand the company’s workforce of experienced developers and increase the diversity of its game portfolio for its next phase.

“In the longer term, we will continue to attract talent from all over the world to work on large budget premium titles to create, own and acquire more than \$1 billion in intellectual property,” he said.

Private equity investor Alium Alpha Fund owns 20 per cent of the business and the remaining is held by several other shareholders.

Mighty Kingdom, which received a \$480,000 grant from the State Government in 2018, launched Snapchat’s

Sugar Slam game in March on the Snap Games platform.

It continues to have millions of downloads of its Shopkins game portfolio for brand creator Moose Toys, while its credits also include the popular LEGO Friends: Heartlake Rush game.

Its latest mobile casual puzzle game, Ava’s Manor, a partnership with Canadian company Uken Games, also launched last month.

In the past decade, Mighty Kingdom has released more than 20 games played by more than 50 million people across multiple platforms.

The public offer will drive Mighty Kingdom’s decision to begin a gradual move from being a “work for hire” company with major entertainment companies to introducing in-licensing, development and publication of its own intellectual property in conjunction with other studios.

Works in the pipeline include Conan Chop Chop, an Xbox game for Norway-based publisher FUNCOM.

Mighty Kingdom's IPO is likely to take place in late 2020 to early 2021, with Adelaide Equity Partners advising on the listing.

Separately, rival Victorian game developer PlaySide Studios is also reportedly gearing up for a \$50m ASX listing.