

ASX CODE: MKL**CAPITAL STRUCTURE**

Share Price (28/12/23) \$0.017
Shares on Issue (m) 475.9m
Market Cap \$8.1m

MAJOR SHAREHOLDERS

Imagination 14.3%
Entertainmet
Gamestar Studios 13.7%
Philip Mayes 11.1%

BOARD & MANAGEMENT**David Butorac***Non-Executive Chair***Ian Hogg***Non-Executive Director***Simon Rabbitt***Interim Chief Executive 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
Adelaide SA 5000**P:** PO Box 3106
Rundle Mall SA 5000
Australia**ACN:** 627 145 260

Strategic Review delivers new vision and team for the future, and convertible note issue

Highlights

- Company receives commitments for \$726,000 of convertible notes to assist with short term capital needs;
- Strategic Review process completed with Letter of Intent signed to initiate significant change under new Board, strategic plan and Management team;
- New board members proposed: Mark Aubrey, David Yin & Chris Whiteman bring significant direct mobile gaming experience in Australia / South East Asian gaming/tech sector with past and current senior executive roles at Activision Blizzard, Google, Animoca Brands, , iCandy and more;
- Strategic Review to deliver transformational shift to a high-growth profitable gaming studio
- Strategic Plan led by McKinsey trained strategy and transformation executive Hang Zhang and associated investment driven by principals and corporate network to be announced to shareholders Mid-January

Following the Strategic Review process announced on October 17, 2023, Mighty Kingdom Limited ("MKL" or the "Company") is pleased to share the outcome of this process and the next steps in delivering an exceptional outcome for MKL shareholders.

A non-binding Letter of Intent ("LOI") has been signed with a consortium of Australia's top gaming executives ("Consortium") to facilitate their appointment to the Board of Directors. This agreement includes exclusivity arrangements paving the way for a multi year strategic plan and capital raising and potential appointment to the Board of Directors and Management.

Subject to shareholder approval across a range of resolutions, it is anticipated that the Company is transformed into a high-growth, profitable gaming studio with the assistance of proposed new board members and existing management

team with exceptional expertise and deep connections into the Australian and South East Asian gaming industry.

Subject to finalisation of confirmatory due diligence, it is intended that new non-executive appointments are made to the Board of the Company on or before 15 January 2024 with finalisation of specific executive roles in due course

Proposed Board and Strategic Plan Leader

Mark Aubrey – Proposed Non Executive Director

Mark is a recognised leader in the gaming industry. Notably, Mark was the Managing Director of Activision Blizzard King (ABK) APAC, a senior executive at Warner Bros and a board member of the Interactive Games and Entertainment Association (“IGEA”).

At ABK, Mark managed all aspects of the Company’s P&L and go-to-market operations managing large teams across multiple offices throughout the region. In his role he drove an aggressive new market entry, culturalization and live operations strategy that led APAC to become a key global growth driver.

Additionally, Mark has extensive Board and Advisory experience, recently performing executive advisory with the Savvy Games Group among others. He currently serves as CEO and Board Member of Sydney Football Club.

David Yin – Proposed Non-Executive Director

David is a leader in the mobile gaming industry, recognized for his expertise running and advising successful gaming studios, with 25 years of experience.

Most recently, David was the CEO & Executive Director of Storms Gaming Studio where he led the group to achieve record revenue growth underpinned by market leading Return-on-Advertising-Spend (ROAS) resulting in a successful acquisition by iCandygroup (ASX:ICI), where he held the role of President of Web3 gaming.

Prior to Storms, he was the Head of Business Development for Google Play in ANZ & Southeast Asia where he led growth strategies with leading mobile game studios and managed over +\$100M in annual revenues. David has held numerous senior executive roles in Gaming/Tech/Telecoms.

David is a chartered accountant, holds an MBA from UNSW AGSM and is a Graduate of the AICD

Chris Whiteman – Proposed Non-Executive Director

Chris is a Corporate and Commercial Advisor with over 25 years of ASX and private company experience across multiple industries.

Chris has been on the Board of Animoca Brands since 2018. During this time, the valuation of the company increased from ~A\$20m to over ~A\$5b and is now considered one of the global leaders in gaming, at the forefront of evolution of Web3 and digital property rights for content creators. Animoca has a presence in 17 countries, and a portfolio of over 400 investments across all segments of the gaming sector.

Chris is a Director of iCandy Interactive, one of the largest game studios in SE Asia & Australia, and OliveX Holdings Limited, a pioneer in the move-to-earn mobile gaming experience.

Chris has significant public company experience through differing perspectives of both listed and unlisted public company directorships, as well as sell side equity capital markets activities. Chris is a Fellow member of the Governance Institute of Australia.

Hang Zhang – Proposed Strategic Plan Leader

Hang is a McKinsey-trained strategy and transformation expert and blockchain gaming studio leader with over 15 years of experience.

Hang has led strategy and transformation programs for listed local and international clients, achieving significant cost savings, and improving operating performance and market valuation.

Recently, Hang was SVP of Strategy and Operations, Group CMO and JV CEO, for CatheonGaming where he setup organisational structure and process, and led community and user growth, helping the company to achieve a \$500m valuation. He holds an MBA from the University of Michigan's Ross School of Business.

Strategic Plan and future Capital Requirements

With deep industry experience and a keen eye for growth opportunities, the Consortium's Vision for Mighty Kingdom covers all aspects of the transformational path needed to deliver shareholder returns.

The Consortium brings experience from leading industry players like iCandy Interactive Limited and Animoca Brands Corporation Limited. They will provide invaluable assistance in various areas, from corporate initiatives and business development to capital planning. It is intended that MKL will update Shareholders on key deliverables in the short term as outlined below:

- **Charting a course for growth:** Led by Mr. Hang Zhang and the existing MKL management team, the Consortium will develop a strategic plan for the Company's future. This plan, including recommendations, will be presented to shareholders by January 15th, 2024, alongside the proposed board appointments.
- **Financial Security and Company's Future:** The proposed new board members, in collaboration with MKL, is confident in its ability to spearhead a capital raising process. This will address working capital needs and fuel growth opportunities. Specific details will be disclosed within the strategic plan.
- **Immediate Financial Support:** Recognising the need for immediate action, the proposed new board members will also support any short-term financing requirements to ensure MKL's working capital needs are met until the capital raise is completed.
- **Shareholder Approval and Next Steps:** A definitive proposal encompassing restructuring, capital raising and board appointments is expected to be ratified at an Extraordinary General Meeting no later than February 28th, 2024.

Convertible Note Issue

In order to assist with short-term capital management, the Company is pleased to announce that it has received commitments for A\$726,000 through a Convertible Note issue to sophisticated and professional investors to be secured against the Company's Digital Gaming Tax Offset ("DGTO").

It is noted that conventional debt and equity structures were not available to the Company due to questioning shareholders led by Imagination Entertainment Limited calling an Extraordinary General Meeting of the Company and a lack of equity issuance capacity when this resolution was voted down at the Company's 2023 Annual General Meeting.

The Convertible Notes have a coupon of 10% which will be capitalised on issue through an increase in face value. The Convertible Notes will, subject to shareholder approval at a future Extraordinary General Meeting of the Company to be called, convert into fully paid ordinary shares at A\$0.01 per share. Such conversion is to occur within 3 months of such shareholder approval. Upon conversion (assuming shareholder approval is given), the Company will also issue to the noteholders a free attaching option for every two shares converted, with each option exercisable at \$0.025 per share expiring 31 December 2025. If the notes are not converted before then, the notes will be redeemed at the maturity date 30 June 2024. The noteholders may also elect for early redemption if there is a change in control or if the conversion is not approved by shareholders at the future Extraordinary General Meeting of the Company.

Capital raised allows for working capital adequacy due to the 'lumpy' nature of receipts from clients and timing in receipt of the DGTO.

The Capital Raising was very well supported including the involvement of the proposed new Directors of the Company and existing shareholders. The issue was managed by Taylor Collison Stockbrokers.

Mighty Kingdom's Chair, David Butorac commented:

"We're excited to unveil a group of industry leaders that will set the future direction of Mighty Kingdom in collaboration with our existing team. Our plan, to be presented by January 15th, will chart a clear course for growth and unlock the Company's immense potential."

"Details of a capital raising plan will be presented alongside the strategic plan, ensuring full transparency and shareholder involvement in shaping the Company's trajectory."

"These partnerships bring not just financial strength but also deep industry knowledge and connections, opening doors to exciting opportunities for growth and collaboration."

"The proposed new board members are also committed to providing short-term financial support to ensure MKL thrives until the capital raise is completed. This demonstrates their commitment to the potential that can be unlocked."

"We are committed to open communication and shareholder engagement. A definitive proposal, encompassing restructuring, capital raising, and board appointments, will be presented for your approval at an Extraordinary General Meeting in February 2024."

Proposed Director, Mr David Yin, said:

"Mighty Kingdom, an esteemed Australian gaming icon, holds a special place in the hearts of many. Despite past challenges, the company has demonstrated commendable recent performance. Mark, Chris, and I are confident that, collaborating with the current board, management team, and implementing the strategic transformational plan, we foresee significant favourable outcomes for the benefit of all shareholders."

"On behalf of the whole Group we are excited to be a part of the future direction of Mighty Kingdom and using our industry expertise to unlock the opportunities to grow this company."

"We will be working hard with the MKL team over the coming weeks to finalise agreements and be in a position to articulate this to all shareholders. We are confident that this will be an exciting and attractive proposition."

This release has been approved by the Board of Mighty Kingdom

For further information, please contact

Simon Rabbitt

Interim Chief Executive Officer
Mighty Kingdom Limited
T: +61 8 7200 3252
E: hello@mightykingdom.com

Duncan Gordon

Executive Director
Cerberus Advisory
T: +61 404 006 444

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.