

ASX CODE: MKL**CAPITAL STRUCTURE**

Share Price (1/8/22)	\$0.038
Shares on Issue (m)	182.3
Market Cap	\$6.9m

MAJOR SHAREHOLDERS

Philip Mayes	28.8%
Regal Funds Mgmt.	6.3%
iCandy Games	6.5%
Phoenix Portfolios	9.7%

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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MIGHTY KINGDOM TO RECAPITALISE AND RESTRUCTURE WITH STRATEGIC INVESTMENT AND NEW DIRECTORS

Highlights

-  Mighty Kingdom to recapitalise and restructure with immediate focus on sustainability of current business model to deliver cash-flow break even by Q3FY23
-  Appointment of 3 Non-Executive directors with global experience and exceptional track records in media and entertainment high growth companies
-  Placement of \$7.0 million to provide working capital flexibility backed by strategic investment from Gamestar+ and existing significant shareholders/directors

4 August 2022 – Mighty Kingdom Limited (“**MK**” or the “**Company**”) wishes to announce that it has successfully received firm commitments for a share placement (the “**Placement**”) to raise **A\$7.0m** (before costs) at \$0.035 per share via a placement of shares to Sophisticated and Professional investors.

As part of this capital raising process, the Company is undertaking a significant refocus and restructure of its business plan, management, and board with the intent of delivering shareholder value. MK will focus on deliverability and accountability against this refined business plan as the Adelaide based group looks to cement its position as one of the country's largest game developers.

Restructure with focus on sustainability

During the period post the Company's Initial Public Offering, MK undertook significant investment in resourcing for Work-For-Hire (WFH), Co-Development and Original IP.

MK have invested in underlying technology and gained scale, however, the delays in launches experienced have put pressure on the business. The organisational restructure, with support of the expanded Board of Directors, intends to streamline and commercialise the business process.

MK will, in the first instance, immediately focus on delivering sustainability to the business, targeting operational cash flow break-even by Q3FY2023.

Delivery of this objective will stem from the increased inbound interest from Tier 1 counterparties seeking MK's WFH capacity.

MK's original IP pipeline is in a strong position to secure deals, with several titles being the subject of partnership discussions with global publishers, with cost recovery of MK's investment being a priority.

Capital Raising

In order to provide working capital in implementing the Company's revised business plan, MK has received firm commitments to participate in a A\$7.0m capital raise at \$0.035/share to Sophisticated and Professional investors. This capital raising will take place in two tranches with the second issue of shares subject to shareholder approval at an Extraordinary General Meeting to be held in September 2022.

Key New Stakeholder and Existing Shareholder Support:

This capital raising sees new, strategic investment in Mighty Kingdom by an entertainment and media entrepreneur. Shane Yeend (via Gamestar+) will take a significant equity position in MK alongside additional investment from current shareholders, directors, and other new investors.

Shane Yeend is the Founder & CEO of Imagination Group of Companies and Founder & CEO of Gamestar Interactive Inc (USA), which closed its first seed round at a \$A57.2M valuation in November 2021.

A well-known South Australian based entrepreneur, he has 38+ years of experience in the global gaming & entertainment industries. Today, his group of gaming companies produce interactive gaming experiences for Disney, Marvel, Lucasfilm, Sony (Wheel of Fortune & Jeopardy), Paramount, MGA (LOL & Rainbow High), Mattel (Barbie, Hot Wheels, Fisher Price) ITV, Fremantle Media (Family Feud, New Price is Right, Press Your Luck & Supermarket Sweep), Endemol Shine (Deal or No Deal), News Corp, and hundreds more. Yeend, a highly awarded interactive gaming pioneer, was Innovator of the Year (2001) and Australian EY Entrepreneur of the Year (2007) with Imagination awarded Most Innovative Company in North America & Asia Pacific under 2000 Employees (2007).

In addition to new investor participation, MK is pleased to have retained the support of significant existing shareholders as part of the capital raising process. MK Chair, Michelle Guthrie, MD, Phil Mayes and Non-Executive Directors, Megan Brownlow and Gabriele Famous also intend to participate in the placement (subject to shareholder approval).

Tranche 1 Placement:

MK will be conducting a Placement comprising of c.27.3m shares at a price of A\$0.035 per share ("Placement Shares") to raise A\$0.95m before costs. Settlement of the Placement is intended to occur on 9 August 2022 via MK's placement capacity pursuant to ASX Listing Rule 7.1.

Tranche 2 Placement:

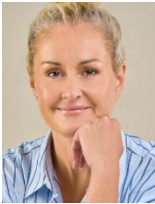
The second tranche will be completed subject to shareholder approval at an Extraordinary General Meeting ("EGM"). The EGM will be held as soon as possible after completion of the Placement. A further A\$6.05m will be raised through the issue of c.172.7m new shares also priced at A\$0.035 per share.

Use of Funds:

- Working capital to allow deliverability against current contracts
- Provide flexibility as MK drives to cashflow neutral target
- Funding new revenue initiatives (as approved by board)

Appointments to Board of Directors

MK is delighted to have secured the services of three new non-executive directors (to be appointed shortly) with exceptional track records in the Entertainment industry. With deep management experience, it is expected the MK management team will benefit from these appointments throughout delivery of the restructure process including accountability against forecasts, strong commercial outcomes and developing and commercialising Original IP.

Ian Hogg 	Ian has 25+ years of executive experience in the media & entertainment industries. A Columbia University alumni, he spent 9 years as CEO of Fremantle with full P&L responsibility for Asia Pacific group operations, as well as sitting on the Global Operating Board. Ian has previously held senior leadership positions at MGM UA, Network TEN, Mediaworks NZ and as CEO of the Singapore based World Sport Group. Ian's passion for storytelling and managing Intellectual property workflows will add immediate strength to MK's business pipelines.
David Butorac 	David is a Harvard Business School alumni, with 35+ years of executive experience spanning some of the worlds most successful broadcasting & digital media companies. David has held executive positions at OSN, WIN Corp, Star TV & Astro. During his tenure at OSN, the company navigated to profitability and became the highest revenue broadcasting business in the MENA region. He is proficient in business & fiscal management, leadership, operations, turnarounds, start-ups, business development & strategic planning.
Melanie Fletcher 	Melanie has a 25+ year track record of delivering productions across the globe & has spent 7 years as COO & Executive Producer of global content creator "Done+Dusted". Melanie has been integral in guiding Done+Dusted from a boutique London-based production company to a global entertainment group. Melanie's track record around fostering relationships & creating a unique company culture attracts & retains the world's best. creatives & retains partnerships with clients that span major networks & Fortune 500 companies.

In addition to the appointment of the above Directors, MK advises that Mr. Tony Lawrence has tendered his resignation as Executive Director of the Company. The Board has accepted his resignation. Mr. Lawrence's decision will allow him to dedicate his time to revenue generation to assist the Company in achieving its goals. Mr. Lawrence will step down from the board immediately and work with the board and other key management to ensure the best possible outcomes are met.

Managing Director and CEO of Mighty Kingdom, Philip Mayes commented:

"After a period, which has been very disappointing both corporately and from a shareholder perspective, this restructure and capital raising represents a very significant change in Mighty Kingdom's outlook going forward.

We have built a great culture and world class creative team that is in high demand. We produce games for some of the biggest brands in the world. We now have an immediate focus on revenue in building a sustainable business that will allow us to have options moving forward. With some significant new shareholders and Directors who can assist us on this path, we anticipate a far more successful FY23."

Founder and CEO of Gamestar+ Interactive Inc. and Key New Mighty Kingdom Investor, Shane Yeend commented:

"This is a very exciting strategic investment for Gamestar+. Phil and his team of 160 developers and an office literally 100 meters away from ours and immediately Mighty Kingdom can benefit from our relationships and experience learned in our 25+ years in global interactive entertainment as well as potentially being a key supplier to Gamestar+."

We are confident about getting Mighty Kingdom to profitability fast and there are a lot of companies that would be a great fit for MK's skillsets in a world of Gaming & Web3. 2022 has been a staggering year already in gaming deal value with \$US107B in total transactions and Mighty Kingdom is well placed to lead Australia into this new world - I can't wait to be a part of that."

Indicative Timetable

Event	Date
ASX Trading halt & Bookbuild	9am (AEST) Mon, 1 August 2022
Recommences ASX Trading & Announcement of Placement	9am (AEST) Thu, 4 August 2022
Settlement of Tranche 1 Placement Shares	11am (AEST) Tue, 9 August 2022
Allotment of Tranche 1 Placement Shares	Wed, 10 August 2022
Extraordinary General Meeting (EGM) Notice sent to shareholders	Mid-August 2022 (TBC)
Mighty Kingdom EGM	Mid-September 2022 (TBC)
Settlement and Allotment of Tranche 2 Placement Shares (Subject to shareholder approval)	Late September 2022 (TBC)

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 160 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.