

**This document is important and requires your immediate attention.**

## **Mighty Kingdom Ltd**

**ACN 627 145 260**

### **Notice of Annual General Meeting and Explanatory Statement**

The Annual General Meeting of Mighty Kingdom Ltd will be held at Mighty Kingdom, Level 4 121 King William Street Adelaide at 11.00 am (Adelaide time) on Monday 28 November 2022.

## Contents

- A. Notice of Annual General Meeting
- B. Explanatory Statement
- C. Proxy form

### Important note

This booklet sets out information to assist Shareholders to assess the resolutions to be considered at the Annual General Meeting.

You should read this information carefully and in its entirety before making a decision as to how to vote at the Annual General Meeting (**Meeting**). No responsibility is taken for the contents of this booklet by ASIC, ASX or any of their officers.

If you do not fully understand the contents of this information you should consult your financial or legal adviser for assistance.

A Notice of Annual General Meeting and Proxy Form are included in/with this booklet. Shareholders are urged to complete the online proxy at [www.investorvote.com.au](http://www.investorvote.com.au) or return the enclosed Proxy Form as soon as possible, irrespective of whether or not they intend to attend the Annual General Meeting.

### Questions

If you have any queries regarding the contents of this booklet or in relation to the Annual General Meeting, please contact the Company Secretary, Ms Kaitlin Smith, on (08) 8232 8800. Questions may also be submitted by emailing [investorrelations@mightykingdom.com](mailto:investorrelations@mightykingdom.com) or by submitting an online question when lodging your proxy vote online at [www.investorvote.com.au](http://www.investorvote.com.au).

### Technical difficulties

Technical difficulties may arise during the course of the AGM. The Chair has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chair will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected.

Where the Chair considers it appropriate, the Chair may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a proxy by 11.00am (Adelaide time) Thursday 24 November 2022 even if they plan to attend online.

## How to submit your vote in advance of the meeting

### Voting by Proxy

To be valid, your Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.00am (Adelaide time) on Saturday 26 November 2022. Any Proxy Form received after that time will not be valid for the Annual General Meeting as scheduled.

**Online** At [www.investorvote.com.au](http://www.investorvote.com.au)

**By mail** Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia

**By fax** 1800 783 447 (within Australia)  
+61 3 9473 2555 (outside Australia)

**By mobile** Scan the QR Code on your Proxy Form and follow the prompts  
**Custodian** For Intermediary Online subscribers only (custodians) please visit  
**voting** [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions

# Mighty Kingdom Limited

ACN 627 145 260

## Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Mighty Kingdom Ltd will be held at 11.00 am (Adelaide time) on Monday 28<sup>th</sup> November 2022.

### Agenda

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting describes the business to be transacted at the Annual General Meeting.

### Ordinary Business

#### Financial Statements and Reports

To receive and consider the annual financial report and the reports of the Directors and of the Auditor for the financial year ended 30 June 2022.

#### **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, pass the following Resolution as a non-binding resolution:

*“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2022 be adopted.”*

Please note that pursuant to Section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

#### **Resolution 2 – Election of Director – Melanie Fletcher**

To consider, and if thought fit, pass the following Resolution as an ordinary resolution:

*“That, for the purposes of article 3.6-(a) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Melanie Fletcher, who was appointed as a Director by the Board since the last annual general meeting, retires, and being eligible offers herself for election as a Director, be elected as a Director.”*

#### **Resolution 3 – Election of Director – Ian Hogg**

To consider, and if thought fit, pass the following Resolution as an ordinary resolution:

*“That, for the purposes of article 3.6-(a) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ian Hogg, who was appointed as a Director by the Board since the last annual general meeting, retires, and being eligible offers himself for election as a Director, be elected as a Director.”*

#### **Resolution 4 – Election of Director – David Butorac**

To consider, and if thought fit, pass the following Resolution as an ordinary resolution:

*“That, for the purposes of article 3.6-(a) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, David Butorac, who was appointed as a Director by the Board since the last annual general meeting, retires, and being eligible offers himself for election as a Director, be elected as a Director.”*

#### **Resolution 5 – Re-Election of Director – Michelle Guthrie**

To consider, and if thought fit, pass the following Resolution as an ordinary resolution:

*“That, for the purpose of ASX Listing Rule 14.5 and article 3.7-(a) of the Constitution and for all other purposes, Ms Guthrie, who retires by rotation in accordance with article 3.7 (a) of the Constitution, and being eligible and offers herself for re-election, be re-elected as a Director.”*

#### **Resolution 6 – Ratification of prior issue of Shares – Tranche 1 Placement – Listing Rule 7.4**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 27,351,778 Shares on the terms and conditions set out in the Explanatory Statement.”*

Note: A voting exclusion statement applies to this Resolution. Please see below.

#### **Resolution 7 – Approval to issue Shares – Tranche 2 Placement to Gamestar Studios**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That, for the purposes of Item 7, section 611 of the Corporations Act and for all other purposes and subject to Resolutions 8, 9, 10, 11 and 12 being passed, approval is given for:*

- (a) the Company to issue 98,057,143 Shares to Gamestar Studios Pty Limited ACN 655 647 082 (**Gamestar Studios**) on the terms and conditions set out in the Explanatory Statement; and*
- (b) the acquisition of a relevant interest in the issued voting shares of the Company by Gamestar Studios and its associates, otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of the 98,057,143 Shares to Gamestar Studios, which will result in Gamestar Studios and its associates’ voting power in the Company increasing from 8.85% to 30.50%,*

*as more particularly described in the Explanatory Statement.”*

Note: A voting exclusion statement applies to this Resolution. Please see below.

**Expert Report:** Shareholders should carefully consider the Independent Expert Report prepared by PKF Melbourne Corporate Pty Ltd at Annexure C for the purposes of Shareholder approval of Resolution 7, as required under item 7 of section 611 of the Corporations Act. The Independent Expert Report comments on the fairness and reasonableness to the non-associated Shareholders in the Company of the issue of the 98,057,143 Tranche 2 Placement Shares to Gamestar Studios. The Independent Expert has determined that the issue of the 98,057,143 Tranche 2 Placement Shares to Gamestar Studios is not fair but is reasonable to the non-associated Shareholders. Shareholders should carefully consider the Independent Expert Report.

#### **Resolution 8 – Approval to issue shares – Tranche 2 Placement to sophisticated investors – Listing Rule 7.1**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes and subject to Resolutions 7, 9, 10, 11 and 12 being passed, approval is given for the Company to issue 172,648,222 Shares to sophisticated and institutional investors selected by Adelaide Equity Partners Limited on the terms and conditions set out in the Explanatory Statement.”*

Note: A voting exclusion statement applies to this Resolution. Please see below.

#### **Resolution 9 – Approval to issue shares to Michelle Guthrie, Non-Executive Chair – Listing Rule 10.11**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes and subject to Resolutions 7, 8, 10, 11 and 12 being passed, approval is given for the Company to issue 8,571,429 Director Shares to Michelle Guthrie (and/or her nominee) on the terms and conditions set out in the Explanatory Statement.”*

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

#### **Resolution 10 – Approval to issue shares to Philip Mayes, Executive Director – Listing Rule 10.11**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes and subject to Resolutions 7, 8, 9, 11 and 12 being passed, approval is given for the Company to issue 428,571 Director Shares to Philip Mayes (and/or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

#### **Resolution 11 – Approval to issue shares to Megan Brownlow, Non-Executive Director – Listing Rule 10.11**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes and subject to Resolutions 7, 8, 9, 10 and 12 being passed, approval is given for the Company to issue 571,429 Director Shares to Megan Brownlow (and/or her nominee) on the terms and conditions set out in the Explanatory Statement.”*

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

#### **Resolution 12 – Approval to issue shares to Gabriele Famous, Non-Executive Director – Listing Rule 10.11**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes and subject to Resolutions 7, 8, 9, 10 and 11 being passed, approval is given for the Company to issue 571,429 Director Shares to Gabriele Famous (and/or her nominee) on the terms and conditions set out in the Explanatory Statement.”*

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

#### **Resolution 13 – Approval of Options to Ian Hogg, Non-Executive Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,000,000 Options to Ian Hogg (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

**Resolution 14 – Approval of Options to David Butorac, Non-Executive Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,000,000 Options to David Butorac (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

**Resolution 15 – Approval of Options to Melanie Fletcher, Non-Executive Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,000,000 Options to Melanie Fletcher (or her nominee) on the terms and conditions set out in the Explanatory Statement.”*

Note: A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

**Resolution 16 – Approval of 7.1A Mandate**

To consider and, if thought fit, to pass the following resolution as a special resolution:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

Note: A voting exclusion statement has not been included for this resolution on the basis that at the time of dispatching the Notice, the Company is not proposing to make an issue of securities under LR 7.1A.2.

By order of the Board



Kaitlin Smith  
Company Secretary  
Dated: 27 October 2022

## Voting Prohibition Statements

<b>Resolution 1 – Adoption of Remuneration Report</b>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> <li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li> <li>(b) a Closely Related Party of such a member.</li> </ul> <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> <li>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li> <li>(b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> <li>(i) does not specify the way the proxy is to vote on this Resolution; and</li> </ul> </li> </ul> <p>expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel</p>
<b>Resolution 9 – Approval to issue shares to Michelle Guthrie, Non-Executive Chair – Listing Rule 10.11</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<b>Resolution 10 – Approval to issue shares to Philip Mayes, Executive Director – Listing Rule 10.11</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<b>Resolution 11 – Approval to issue shares to Megan Brownlow, Non-Executive Director – Listing Rule 10.11</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or</li> </ul>

	indirectly with remuneration of a member of the Key Management Personnel.
<b>Resolution 12 – Approval to issue shares to Gabriele Famous, Non-Executive Director – Listing Rule 10.11</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<b>Resolution 13 – Approval of Options to Ian Hogg, Non-Executive Director</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<b>Resolution 14 – Approval of Options to David Butorac, Non-Executive Director</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<b>Resolution 15 – Approval of Options to Melanie Fletcher, Non-Executive Director</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>



## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

<b>Resolution 6 – Ratification of prior issue of shares – Tranche 1 Placement – Listing Rule 7.4</b>	A person who participated in the issue (namely the recipients of the Tranche 1 Placement Shares) or is a counterparty to the agreement being approved, or an associate of that person or those persons.
<b>Resolution 7 – Approval to issue shares – Tranche 2 Placement to Gamestar Studios</b>	Gamestar Studios Pty Limited (or its nominee) and any other person who will participate in or obtain a material benefit as a result of the issue of the Tranche 2 Placement Shares (except a benefit solely by reason of being a holder of Shares in the Company) or an associate of that person or those persons, as required by Item 7(a), section 611 of the Corporations Act.
<b>Resolution 8 – Approval to issue shares – Tranche 2 Placement to sophisticated investors – Listing Rule 7.1</b>	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the sophisticated and institutional investors subscribing under the issue) or an associate of that person or those persons.
<b>Resolution 9 – Approval to issue shares to Michelle Guthrie, Non-Executive Chair – Listing Rule 10.11</b>	Ms Michelle Guthrie (or her nominee) and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 10 – Approval to issue shares to Philip Mayes, Executive Director – Listing Rule 10.11</b>	Mr Philip Mayes (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 11 – Approval to issue shares to Megan Brownlow, Non-Executive Director – Listing Rule 10.11</b>	Ms Megan Brownlow (or her nominee) and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 12 – Approval to issue shares to Gabriele Famous, Non-Executive Director – Listing Rule 10.11</b>	Ms Gabriele Famous (or her nominee) and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 13 – Approval of Options to Ian Hogg, Non-Executive Director</b>	Mr Ian Hogg (or his nominee) and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 14 – Approval of Options to David Butorac, Non-Executive Director</b>	Mr David Butorac (or his nominee) and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 15 – Approval of Options to Melanie Fletcher, Non-Executive Director</b>	Ms Melanie Fletcher (or her nominee) and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 16 – Approval of 7.1A Mandate</b>	Any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

# Explanatory Statement

## 1. General Information

This Explanatory Statement and all attachments are important documents. They should be read carefully.

This Explanatory Statement has been prepared for the Shareholders of Mighty Kingdom Ltd in connection with the Annual General Meeting of the Company to be held at 11:00am (Adelaide time) on Monday 28<sup>th</sup> November 2022.

The purpose of this Explanatory Statement is to provide Shareholders with the information known to the Company that the Board considers material to their decision on whether to approve the Resolutions in the accompanying Notice. This document is important and should be read in conjunction with all of the information contained in this booklet, including the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

### Proxies

Please note that: (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy; (b) a proxy need not be a member of the Company; (c) a Shareholder may appoint a body corporate or an individual as its proxy; (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting.

**To vote by proxy, please complete and sign the Proxy Form and return it so that it is received by no later than 11.00am (Adelaide time) on Saturday 26 November 2022 in accordance with the instructions set out on the Proxy Form. Proxy Forms received later than this time will be invalid.**

Alternatively, you may appoint a proxy using an electronic facility available at the website [www.investorvote.com.au](http://www.investorvote.com.au). At the website, shareholders will be able to view an electronic version of the proxy form, which will accept proxy appointments and register them accordingly.

### Voting entitlements

In accordance with Regulation 7.11.37 of the *Corporations Regulations* 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 11.00am (Adelaide time) on Saturday 26 November 2022. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Annual General Meeting.

## 2. Background

### 2.1 Placement

As announced by the Company on 4 August 2022, the Company received commitments from sophisticated and institutional investors to raise approximately A\$7 million before costs, via the issue of 200,000,000 new shares at A\$0.035 per new Share (**Placement**).

The Placement is being carried out in two tranches, comprising:

- (a) the issue of 27,351,778 Shares (**Tranche 1 Placement Shares**) under the first tranche of the Placement to raise A\$957,312.23 (before costs) (**Tranche 1 Placement**); and
- (b) subject to Shareholder approval being obtained, the issue of 172,648,222 Shares (**Tranche 2 Placement Shares**) under the second tranche of the Placement to raise A\$6,042,687.77 (before costs) (**Tranche 2 Placement**).

The Tranche 1 Placement Shares were issued pursuant to the Company's available placement capacity under Listing Rule 7.1.

The Company has received the following commitments to participate in the Tranche 2 Placement:

- (a) Gamestar Studios has committed to subscribe for A\$3,432,000, being 98,057,143 of the Tranche 2 Placement Shares (**Gamestar Tranche 2 Shares**);
- (b) a number of sophisticated and institutional investors have committed to subscribe for a combined total of A\$2,255,687.74, being 64,448,221 of the Tranche 2 Placement Shares;
- (c) Michelle Guthrie, a non-executive chair and Director, (or her nominee) has committed to subscribe for A\$300,000.02, being 8,571,429 of the Tranche 2 Placement Shares;
- (d) Philip Mayes, an executive Director, (or his nominee) has committed to subscribe for A\$14,999.99, being 428,571 of the Tranche 2 Placement Shares;
- (e) Megan Brownlow, a non-executive Director, (or his nominee) has committed to subscribe for A\$20,000.02, being 571,429 of the Tranche 2 Placement Shares; and
- (f) Gabriele Famous, a non-executive Director, (or her nominee) has committed to subscribe for A\$20,000.02, being 571,429 of the Tranche 2 Placement Shares.

The issues of Tranche 2 Placement Shares are subject to Shareholder approval as set out below.

The funds raised from the Placement are planned to be used for:

- Providing working capital to allow deliverability against current contracts
- Allowing flexibility as the Company moves towards their stated target of becoming operational cashflow neutral by Q3 of FY2023
- Funding new revenue initiatives in the 'Work-For-Hire' space

The issue of the Tranche 2 Placement Shares is intended to occur as soon as practicable after Resolutions 7 to 12 are approved by the Shareholders at the Meeting.

Further information with respect to the Placement is set out below.

### 2.2 Gamestar Studios

The Company notes the following:

- (a) Shane Antony Yeend is the sole director and is the CEO and Founder of Gamestar Studios, a global gaming and entertainment company.
- (b) Shane Antony Yeend is also the sole director of Yeend Superannuation Pty Ltd can 141 564 641 which is the trustee for the Yeend Superannuation Fund (**Yeend Super Fund**).
- (c) Gamestar Studios and Yeend Super Fund are associates because they are both controlled by Shane Antony Yeend.

- (d) Prior to the Tranche 1 Placement, Yeend Super Fund held 2,325,194 Shares (representing voting power of 1.28% in the Company), and Gamestar Studios did not hold any Shares in the Company. Accordingly, Gamestar Studios and its associates then held voting power of 1.28%.
- (e) Following the Tranche 1 Placement, Gamestar Studios' and its associates' voting power in the Company is 8.85%.
- (f) The issue of the Gamestar Tranche 2 Shares to Gamestar Studios will result in Gamestar Studios' and its associates' voting power in the Company increasing from 8.85% to 30.50% (assuming that Resolutions 7 to 12 are passed and the corresponding issues of Shares are completed).
- (g) Section 606(1) of the Corporations Act provides that a person must not acquire a relevant interest in issued voting shares in a listed company if they do so through a transaction that results in their voting power increasing from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%, other than where an exception applies. One of the exceptions is where shareholder approval has been obtained.
- (h) Due to the proposed change in Gamestar Studios' and its associates' voting power, the Company is seeking Shareholder approval under Item 7, section 611 of the Corporations Act for the issue of the Gamestar Tranche 2 Shares to Gamestar Studios (the subject of Resolution 7).
- (i) Further detail is set out in Section 10 below.

### **2.3 Issue of Shares to sophisticated investors**

64,448,221 of the Shares the subject of the Tranche 2 Placement are proposed to be issued to non-related sophisticated and institutional investors.

The process of identification and selection of those investors is set out in Section 11.2 below.

Resolution 8 is for a similar reason to Resolution 6 in that the Company is seeking Shareholder approval for the issue of Shares under Listing Rule 7.1 to ensure that the certain issues under the Tranche 2 Placement do not use up the Company's capacity to issue up to 15% Shares in the following 12 months.

Further information with respect to Listing Rule 7.1 is set out at Section 9.2 below, and with respect to Resolution 8 is set out at Section 11 below.

### **2.4 Issue of Shares to Directors**

10,142,858 of the Shares the subject of the Tranche 2 Placement are proposed to be issued to Directors. Director participation in the Placement is subject to Shareholder approval.

Resolutions 9, 10, 11 and 12 seek Shareholder approval for the issue of up to:

- (a) 8,571,429 of the Tranche 2 Placement Shares to Ms Michelle Guthrie (or her nominee) (being the subject of Resolution 9);
- (b) 428,571 of the Tranche 2 Placement Shares to Mr Philip Mayes (or his nominee) (being the subject of Resolution 10);
- (c) 571,429 of the Tranche 2 Placement Shares to Ms Megan Brownlow (or her nominee) (being the subject of Resolution 11); and
- (d) 571,429 of the Tranche 2 Placement Shares to Ms Gabriele Famous (or her nominee) (being the subject of Resolution 12).

Shareholder approval is required and is being sought for Resolutions 9, 10, 11 and 12 because, as Directors, Ms Guthrie, Mr Mayes, Ms Brownlow and Ms Famous are 'related parties' of the Company. Accordingly, Listing Rule 10.11 applies and the Company must not issue equity securities to them without the approval of Shareholders.

Further information with respect to Listing Rule 10.11 and other matters relevant to these Resolutions is set out in Section 12 below.

## **2.5 Options to new Directors**

As announced by the Company on 4 August 2022, the Company has secured the services of three new non-executive Directors, being Mr Hogg, Mr Butorac, and Ms Fletcher. Since the 4 August 2022 announcement, those directors have been appointed to the Board.

The Board notes that it is good commercial practice for Directors to be offered options or securities in place of some or all of their remuneration, as it can align interests and help in attracting talent to the Company.

Shareholder approval is required and is being sought for Resolutions 13, 14 and 15 because, as Directors, Mr Hogg, Mr Butorac, and Ms Fletcher are 'related parties' of the Company. Accordingly, Listing Rule 10.11 applies and the Company must not issue equity securities (which includes options) to them without the approval of Shareholders.

Further information with respect to Listing Rule 10.11 and other matters relevant to these Resolutions is set out in Section 13 below.

## **3. Financial Statements and Reports**

In accordance with the Corporations Act and the Constitution, the business of the Annual General Meeting will include the receipt and consideration of the annual financial report of the Company for the year ended 30 June 2022, together with the related Directors' report, Directors' declaration and Auditors' report. This item of business is intended to provide an opportunity for Shareholders to raise questions on the reports themselves and on the performance of the Company generally. No resolution need be put to the meeting in relation to these items.

As a Shareholder, you are entitled to submit a written question to the Auditor prior to the Annual General Meeting provided that the question relates to:

- the content of the Auditor's report; or
- the conduct of the audit in relation to the financial report.

All written questions must be received by the Company no later than 5.00pm (Adelaide time) on Thursday 24 November 2022.

All questions must be sent to the Company and may not be sent to the Auditor. The Company will then forward all questions to the Auditor.

The Auditor will be present at the Annual General Meeting and Shareholders will have the opportunity to ask the Auditor questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies, and the independence of the Auditor.

## **4. Resolution 1 – Adoption of Remuneration Report**

Section 250R(2) of the Corporations Act requires a listed company to put to its shareholders (at its annual general meeting) a resolution that the remuneration report be adopted. Such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2022 and can be found on the Company's website <https://www.mightykingdom.com/investors/>.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting. Notwithstanding the advisory effect of Resolution 1, the Board will consider the outcome of the vote

made by the Shareholders with regard to the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration policies.

Although the effect of Resolution 1 is advisory only, under the "two strikes" rule, companies will be required to put a resolution to shareholders to hold fresh elections for directors if, at two consecutive annual general meetings, at least 25% of the votes cast on a resolution (such as Resolution 1) to adopt the remuneration report are cast against that resolution. If required, a spill resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the spill resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Directors recommend that Shareholders vote in favour of Resolution 1. The Chair intends to vote undirected proxies in favour of Resolution 1.

## **5. Resolution 2 – Election of Director – Melanie Fletcher**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

The other Directors appointed Melanie Fletcher on 10 August 2022, and in accordance with the Constitution, Ms Fletcher will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

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.

If re-elected the Board considers Ms Fletcher will be an independent Director.

Ms Fletcher has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

The Directors (with Ms Fletcher abstaining) unanimously support the re-election of Ms Fletcher and recommend that Shareholders vote in favour of Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

## **6. Resolution 3 – Election of Director – Ian Hogg**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

The other Directors appointed Ian Hogg on 10 August 2022, and in accordance with the Constitution Mr Hogg will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

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.

If re-elected the Board considers Mr Hogg will be an independent Director.

Mr Hogg has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

The Directors (with Mr Hogg abstaining) unanimously support the re-election of Mr Hogg and recommend that Shareholders vote in favour of Resolution 3. The Chair intends to vote undirected proxies in favour of Resolution 3.

## **7. Resolution 4 – Election of Director – David Butorac**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

The other Directors appointed David Butorac on 10 August 2022, and in accordance with the Constitution, Mr Butorac will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

David is a Harvard Business School alumni, with 35+ years of executive experience spanning some of the world's 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.

If re-elected the Board considers Mr Butorac will be an independent Director.



Mr Butorac has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

The Directors (with Mr Butorac abstaining) unanimously support the re-election of Mr Butorac and recommend that Shareholders vote in favour of Resolution 4. The Chair intends to vote undirected proxies in favour of Resolution 4.

## **8. Resolution 5 – Re-election of Director – Michelle Guthrie**

ASX Listing Rule 14.5 and article 50 of the Constitution require that one third of the Directors (or, if their number is not a multiple of 3, then the number nearest to but not exceeding one third) must retire from office at each Annual General Meeting. The Directors retire by rotation, with the Director(s) who have been the longest in office since being appointed or re-appointed being the Director(s) who must retire in any one year.

The Constitution ensures that no Director is able to remain in office for longer than 3 years without standing for re-election. Each Director is entitled to offer himself for re-election as a Director at the Annual General Meeting which coincides with his retirement.

The Managing Director (if any) is exempted by his office as managing director from the requirement to retire by rotation.

Ms Guthrie was appointed as an Non-Executive Director of Mighty Kingdom on 20 August 2020.

Michelle has held senior management roles at leading media and technology companies in Australia, the UK and Asia, including BSkyB, Star TV, and Google. She has extensive experience and expertise in management, digital media, and the global technology sector. Michelle was the MD of the ABC where she led the transformation of the organisation. Michelle holds a Bachelor of Arts and Law (Honours) from the University of Sydney.

If re-elected the Board considers Ms Guthrie will be an Independent Non-Executive Director.

The Directors (with Ms Guthrie abstaining) unanimously support the re-election of Ms Guthrie and recommend that Shareholders vote in favour of Resolution 5. The Chair intends to vote undirected proxies in favour of Resolution 5.

## **9. Resolution 6 – Ratification of prior issue of Shares – Tranche 1 Placement**

### **9.1 Background**

As detailed in Section 2 above, as part of the Placement, Resolution 6 seeks ratification under Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

### **9.2 Regulatory Requirements**

On 15 August 2022 (**Tranche 1 Issue Date**), the Company issued the Tranche 1 Placement Shares.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Tranche 1 Placement Shares (**Tranche 1 Issue**) does not fit within any of the exceptions under Listing Rule 7.1 and, as the Tranche 1 Issue has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under the Listing Rules for the 12-month period following the Tranche 1 Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to maintain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval under Listing Rule 7.1.

To this end, Resolution 6 seeks Shareholder approval of the Tranche 1 Issue under and for the purposes of Listing Rule 7.4.

If Resolution 6 is passed, the Tranche 1 Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of the Tranche 1 Issue.

If Resolution 6 is not passed, the Tranche 1 Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of the Tranche 1 Issue.

### **9.3 Information required by Listing Rule 7.4**

Pursuant to and in accordance with Listing Rule 7.4, the following information is provided in relation to the share ratification:

**(i) The names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified and selected**

As announced to the ASX on 4 August 2022, the Tranche 1 Placement Shares were issued to sophisticated and institutional investors using the Company's 15% placement capacity under Listing Rule 7.1. The investors were identified through a book build process, which involved the Lead Manager, Adelaide Equity Partners Limited, seeking expressions of interest to participate in the Placement.

In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that, other than as set out in this Section 9.3(i), none of the recipients were:

- i. related parties of the Company, members of the Company's key management personnel, substantial holders in the Company, advisers to the Company, or an associate of any of these parties – other than an issue of 4,057,143 Shares to Phoenix Portfolios Pty Ltd, a substantial holder in the Company (which voting power changed from 9.69% to 10.36%); and
- ii. issued more than 1% of the issued capital of the Company – other than:
  - a. an issue of 16,228,571 Shares to Gamestar Studios (representing a change of voting power when aggregated with its associates from 1.28% to 8.85%, an increase of 7.57%).

**(ii) Number of securities and class of securities issued**

Under Resolution 6, the Company seeks Shareholder approval for, and ratification of, the issue of the Tranche 1 Placement Shares, being 27,351,778 Shares.

**(iii) Terms of the securities**

The Tranche 1 Placement Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with existing Shares.

The Company applied to ASX for official quotation of these Shares on 15 August 2022.

**(iv) Date of issue**

The Tranche 1 Placement Shares were issued on 15 August 2022.

(v) **Issue price or other consideration**

The issue price for the Tranche 1 Placement Shares was \$0.035, being a 20.0% discount to the 5-day VWAP up to and including 3 August 2022 (being the last day of trading before the Placement was announced).

(vi) **Purpose of the issue, including the intended use of the funds raised**

The issue of the Tranche 1 Placement Shares was to raise A\$957,312.23, which is being applied in the manner set out in Section 2.1.

(vii) **Relevant agreement**

16,228,571 of the Tranche 1 Placement Shares were issued to Gamestar Studios Pty Limited pursuant to a share subscription agreement of which the material terms are summarised in Section 10 below.

The balance of the Tranche 1 Placement Shares were not issued pursuant to any written agreement.

(viii) **Voting exclusion statement**

A voting exclusion statement for Resolution 6 is included in this Notice preceding this Explanatory Statement.

**9.4 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 6.

## **10. Resolution 7 – Approval to issue shares – Tranche 2 Placement to Gamestar Studios**

**10.1 General**

Resolution 7 seeks Shareholder approval for the purposes of Item 7, section 611 of the Corporations Act for the issue of 98,057,143 Shares under the Tranche 2 Placement to Gamestar Studios. Further information in relation to the Tranche 2 Placement is set out in Section 2 above.

**10.2 Corporations Act**

Section 606(1) of the Corporations Act prohibits a person from acquiring a relevant interest in a listed company's issued voting shares if the acquisition results in the person, or someone else, increasing their voting power in the company either from 20% or below to more than 20%, or from a starting point above 20% and below 90%. Section 606(1A) of the Corporations Act sets out that a person may acquire a relevant interest without contravening section 606(1), under one of the exceptions set out in section 611 of the Corporations Act.

Section 611 of the Corporations Act sets out various exceptions to the prohibition in section 606(6). Item 7 of section 611 allows shareholders of a listed company to approve a proposed acquisition of shares by a person that would otherwise breach section 606(1). If shareholder approval is provided under that item, the proposed acquisition can proceed without being in breach of section 606(1).

Without the benefit of an exception to section 606(1), Gamestar Studios (and its associates) would be in breach of that section of the Corporations Act. That is because Gamestar Studios (and its associates) would have a relevant interest in 30.50% of the Shares following the issue of 98,057,143 of the Tranche 2 Placement Shares being issued to Gamestar Studios (compared to their current relevant interest of 8.85%).

Accordingly, the Company is seeking Shareholder approval for the issue of 98,057,143 Shares to Gamestar Studios (Resolution 7) for the purposes of item 7, section 611 of the Corporations Act.

Section 611 of the Corporations Act and ASIC Regulatory Guide 74 set out the information to be given to Shareholders in seeking approval under section 611 of the Corporations Act.

### 10.3 Information required by item 7(b), section 611 of the Corporations Act

- (a) The identity of the person proposing to make the acquisition and their associates

Gamestar Studios (or its nominees) is proposing to make the acquisition. As set out in Section 2.2 above, Gamestar Studios is a global gaming and entertainment company controlled by its CEO and Founder, Shane Antony Yeend. As set out in Section 2.2, Shane Antony Yeend also controls another Shareholder, Yeend Super Fund; and Gamestar Studios and Yeend Super Fund are associates. Gamestar Studios does not have any other associates which hold or will hold Shares.

- (b) The maximum extent of the increase in that person's voting power in the company that would result from the acquisition

As a result of the issue of the Gamestar Tranche 2 Shares (and based on the assumptions set out in Section 10.3(f) below), the maximum extent of the increase in voting power of Gamestar and its associates in the Company will be as follows:

Party	Voting power as at the date of this Notice	Voting power on completion of the acquisition
Gamestar Studios	7.74%	29.89%
Yeend Super Fund	1.11%	0.61%
<b>Total</b>	<b>8.85%</b>	<b>30.50%</b>

This is an increase in voting power of 21.65%.

- (c) The voting power that person would have as a result of the acquisition

As a result of the issue of the Gamestar Tranche 2 Shares (and based on the assumptions set out in Section 10.3(f) below), Gamestar Studios would have voting power of 30.50%.

- (d) The maximum extent of the increase in the voting power of each of that person's associates that would result from the acquisition

The maximum extent of the increase in voting power of Gamestar Studios and its associates would, provided that the assumptions set out in Section 10.3(f) are correct, be from 8.85% to 30.50%.

- (e) The voting power that each of that person's associates would have as a result of the acquisition

The voting power of Gamestar Studios and its associates as a result of the issue of the Gamestar Tranche 2 Shares would be as set out in the column titled 'Voting power on completion of the acquisition' in Section 10.3(b) above.

- (f) Assumptions

The following assumptions have been made in calculating the voting power of Gamestar Studios and its associates:

- (i) the Company has 209,696,967 Shares on issue as at the date of this Notice;
- (ii) Resolutions 7 to 12 are passed, and the corresponding issues of Shares are completed as set out in this Notice; and
- (iii) no outstanding options are exercised and the Company does not issue any additional Shares other than as set out in this Notice.

- (g) Other information known to the person proposing to make the acquisition or their associates, or known to the company, that is material to the decision on how to vote on the resolution

Gamestar Studios and its associates, and the Company, have considered whether any other information known to them is material to the decision on how to vote on Resolution 7.

Gamestar Studios and its associates, and the Company, have determined that no additional information, other than that set out in this Notice, the Explanatory Statement and in the independent expert's report accompanying this Explanatory Statement, is material to the Shareholders' decision on how to vote on Resolution 7.

#### **10.4 Additional information required by ASIC Regulatory Guide 74, RG74.25**

- a) An explanation of the reasons for the proposed acquisition

Refer to Sections 2.1 and 2.2 for the reasons and rationale for the Placement, including the issue of the Gamestar Tranche 2 Shares.

- b) When the proposed acquisition is to occur

Completion of the issue of the Gamestar Tranche 2 Shares is anticipated as soon as reasonably practicable following Shareholder approval, however this is subject to change and will depend on the timing of satisfaction of the conditions to the issue of the Gamestar Tranche 2 Shares.

- c) The material terms of the proposed acquisition

Refer to Section 10.5 below.

- d) Details of the terms of any other relevant agreement between the acquirer and the target entity or vendor (or any of their associates) that is conditional on (or directly or indirectly depends on) members' approval of the proposed acquisition

There are no other relevant agreements between Gamestar Studios (or its associates) and the Company that are conditional on (or directly or indirectly depend on) Shareholder approval of Resolution 7.

- e) A statement of the acquirer's intentions regarding the future of the target entity if members approve the acquisition and, in particular:

- (i) any intention to change the business of the entity;
- (ii) any intention to inject further capital into the entity;
- (iii) the future employment of present employees of the entity; and
- (iv) any intention to otherwise redeploy the fixed assets of the entity

Should the Shareholders approve the issue of the Gamestar Tranche 2 Shares, other than as disclosed elsewhere in this Explanatory Statement, Gamestar Studios:

- (i) has no present intention of making any significant changes to the business of the Company;
- (ii) has no present intention to inject further capital into the Company;
- (iii) has no present intention to make changes with respect to the future employment of present employees of the Company; and
- (iv) has no present intention to redeploy the fixed assets of the Company.

- f) any intention of the acquirer to significantly change the financial or dividend distribution policies of the entity

Gamestar Studios has no present intention to significantly change the financial or dividend distribution policies of the Company.

- g) the interests that any director has in the acquisition or any relevant agreement disclosed under RG74.25(d)

There are no relevant agreements disclosed under RG74.25(d) above. Accordingly, there are no interests that any Directors have in any relevant agreement.

- h) the following details about any person who is intended to become a director if members approve the acquisition:
  - (i) name;
  - (ii) qualifications and relevant professional or commercial experience;
  - (iii) any associations that the proposed director has with the acquirer, vendor or any of their associates; and
  - (iv) any interest that the proposed director has in the acquisition or any relevant agreement disclosed under RG74.25(d).

There is no person who is intended to become a director if the Shareholders approve Resolution 7.

## **10.5 Material terms of the proposed acquisition**

Gamestar Studios' participation in the Tranche 1 Placement and proposed participation in the Tranche 2 Placement are governed by a share subscription agreement dated 4 August 2022.

The material terms of that share subscription agreement are as follows:

- (a) The subscription price for the Placement is \$0.035 per Share.
- (b) The number of Shares Gamestar Studios subscribed for in the Tranche 1 Placement was 16,228,571 **(Stage 1)**.
- (c) The number of Shares Gamestar Studios subscribed for in the Tranche 2 Placement is 98,057,143 **(Stage 2)**.
- (d) Completion of Stage 1 was subject to a number of conditions, including the Company not being the subject of a 'distress event', and Gamestar Studios being satisfied that no 'material adverse change' had occurred.
- (e) As set out in Section 9.2 of this Notice, the Tranche 1 Placement, which included the issues to Gamestar Studios in Stage 1, completed on 15 August 2022.
- (f) Completion of the issues to Gamestar Studios under Stage 2 is subject to a number of conditions, including:
  - a. the Company not being the subject of a 'distress event', and Gamestar Studios being satisfied that no 'material adverse change' has occurred;
  - b. Gamestar Studios being satisfied that Shareholder approval has been obtained for the purposes of Listing Rules 7.1 and, if necessary, 10.11, and for the purposes of item 7 of section 611 of the Corporations Act;
  - c. The Company and Philip Mayes entering into a new employment agreement under which Mayes will be employed as the chief executive officer of the Company for a term of five years, such agreement to include a number of customary provisions for the benefit of the Company; and
  - d. the Company and Philip Mayes entering into a voluntary restriction agreement under which all of the securities held by Mayes or his associates as at the date of the share subscription agreement will be restricted (that is, unable to be sold) for a period of 12 months from the end of the current escrow period.
- (g) The Company is obliged to use its best endeavours to satisfy the Stage 2 conditions set out in Section 10.5(f)b, c and d above by the 'Stage 2 Completion Date'.
- (h) The Stage 2 Completion Date in the share subscription agreement is 30 September 2022 or such other date agreed between the Company and the Gamestar Studios. It has been agreed between the Company and Gamestar Studios that the Stage 2 Completion Date is 30 November 2022.

## **10.6 Additional information**

As required by ASIC Regulatory Guide 74, paragraph 74.26, the Directors have also considered whether any other information is reasonably required by Shareholders to decide on how to vote on Resolution 7.

The Directors have determined that no additional information, other than that set out in this Notice, the Explanatory Statement and in the independent expert's report accompanying this Explanatory Statement, is required by Shareholders to determine how to vote on Resolution 7.

## **10.7 Independent Expert's Report**

Under ASIC Regulatory Guide 74, an independent expert's report is required for Resolution 7. The report must analyse whether the proposed transaction is fair and reasonable and state the expert's opinion.

The Company has retained PKF Melbourne Corporate Pty Ltd, who has prepared a report that concludes that the proposed transaction is not fair but is reasonable to the Company's non-associated Shareholders.

A copy of that report accompanies this Explanatory Statement. Shareholders should carefully read the Independent Expert's Report and seek their own advice if required.

## **10.8 Listing Rules**

As set above with respect to Resolution 6, Listing Rule 7.1 provides that a company must not in any 12-month period issue or agree to issue equity securities that represent more than 15% of the fully paid ordinary securities on issue at the commencement of that 12 month period.

An exception to Listing Rule 7.1 is where an issue of securities is approved for the purposes of section 611 of the Corporations Act. In circumstances where the Company is seeking Shareholder approval under section 611, Shareholder approval under Listing Rule 7.1 is not required to the extent that the Gamestar Tranche 2 Shares are approved to be issued to Gamestar Studios.

## **10.9 Board recommendation**

The Board recommends that all Shareholders vote in favour of Resolution 7.

# **11. Resolution 8 – Approval to issue shares to sophisticated investors**

As set out in Section 9 above, Listing Rule 7.1 limits the amount of equity securities that a listed company may issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

For the same reasons as set out in Section 9 above, Resolution 8 seeks approval of the issue of 64,448,221 of the Tranche 2 Placement Shares to sophisticated and institutional investors (**Unrelated T2 Placement Shares**) as set out in Section 2.1 above.

## **11.1 Technical information required by Listing Rule 14.1A**

If Resolution 8 is passed by Shareholders, it will mean that the Unrelated T2 Placement Shares will be excluded in calculating the Company's 15% limit pursuant to Listing Rule 7.1. Practically, this will mean that the number of Equity Securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Unrelated T2 Placement Shares.

If Resolution 8 is not passed by Shareholders, the Unrelated T2 Placement Shares will be included in calculating the Company's 15% limit, effectively decreasing the number of Equity Securities the Company may issue without Shareholder approval in the 12-month period following the date of issue of the Unrelated T2 Placement Shares.

In circumstances where Resolutions 7, 8, 9, 10, 11 and 12 are each conditional on and subject to the rest of those Resolutions being passed, and the completion of the issue of the relevant numbers of Tranche 2 Placement Shares set out in those Resolutions. If Resolution 8 is not passed, Resolutions 7, 9, 10, 11 and 12 (being the other Resolutions with respect to the Tranche 2 Placement) will not be effective, and the Tranche 2 Placement will not proceed.

## 11.2 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) the Unrelated T2 Placement Shares will be issued to sophisticated and institutional investors, including existing Shareholders (**Unrelated T2 Participants**). The Unrelated T2 Participants will be identified through a book build process, which involved the Lead Manager, Adelaide Equity Partners Limited, seeking expressions of interest to participate in the Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the Unrelated T2 Participants will be:
  - i. related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties – other than an issue of 24,514,286 Shares to Phoenix Portfolios Pty Ltd, a substantial holder in the Company (which voting power changed from 10.36% to 12.09%); and
  - ii. issued more than 1% of the issued capital of the Company – other than:
    - a. an issue of 7,967,143 Shares to Baza Capital Holdings Pty Ltd (being 2.08% of the issued capital of the Company);
- (c) the maximum number of Shares to be issued to Unrelated T2 Participants is 64,448,221. The Unrelated T2 Placement Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Unrelated T2 Placement Shares will be issued as soon as reasonably practicable following Shareholder approval at the Meeting and, in any event, by no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (e) the issue price of the Unrelated T2 Placement Shares will be \$0.035 per Share (being the same price as other Shares offered under the Placement). The Company will not receive any other consideration for the issue of the Unrelated T2 Placement Shares;
- (f) the purpose of the issue of the Unrelated T2 Placement Shares is to raise approximately A\$2.25 million which will be applied as set out in Section 2.1;
- (g) the Unrelated T2 Placement Shares are being issued in accordance with firm commitment letters entered into by each of the Unrelated T2 Participants on standard terms and conditions, and are conditional on and interdependent with the completion and issue of the Gamestar Tranche 2 Shares to Gamestar Studios, and must take place simultaneously with the completion of that transaction; and
- (h) the Unrelated T2 Placement Shares are not being issued under, or to fund, a reverse takeover.



## **12. Resolution 9, 10, 11 & 12 – Approval to issue shares to Directors – Tranche 2 Placement**

### **12.1 Background**

Resolutions 9, 10, 11 and 12 seek Shareholder approval for the issue of an aggregate of 10,142,858 Shares (**Director Shares**) to Directors Michelle Guthrie, Philip Mayes, Gabriele Famous and Megan Brownlow (and/or their respective nominees) under the Tranche 2 Placement on the terms set out in the table below.

Further information in relation to the Tranche 2 Placement is set out in Sections 2.1 to 2.4 above.

### **12.2 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must, pursuant to section 208 of the Corporations Act:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue of, in aggregate, 10,142,858 of the Tranche 2 Placement Shares to Ms Guthrie, Mr Mayes, Ms Brownlow and Ms Famous constitutes giving a financial benefit and each of Ms Guthrie, Mr Mayes, Ms Brownlow and Ms Famous are related parties of the Company by virtue of each of them being Directors.

Section 210 of the Corporations Act states that member approval is not needed to give a financial benefit on terms that:

- (a) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in paragraph (a).

The Directors (other than Ms Guthrie, Mr Mayes, Ms Brownlow and Ms Famous) have determined that, as the issue of Shares is proposed to take place on the same terms as the Tranche 2 Placement to third parties (which was negotiated on an arm's length basis), the financial benefit given by the Company is reasonable in the circumstances as if the Company and the recipients were dealing at arm's length. Accordingly, Shareholder approval is not required under Chapter 2E of the Corporations Act.

### **12.3 Regulatory Requirements**

Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues or agrees to issue securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval ought to be obtained, unless an exception in Listing Rule 10.12 applies. It is the Directors' view that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances. As such, Shareholder approval is being sought for the purposes of Listing Rule 10.11 under Resolutions 9, 10, 11 and 12.

As Shareholder approval is being sought under Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;

- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Director Shares falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolutions 9, 10, 11 and 12 seek the required Shareholder approval to the issue of the Director Shares under and for the purposes of Listing Rule 10.11.

If Resolutions 9, 10, 11 and 12 are passed, the Company will be able to proceed with the issue of the Director Shares to Ms Guthrie, Mr Mayes, Ms Brownlow and Ms Famous (and/or their respective nominees).

If Resolutions 9, 10, 11 and 12 are not passed, the Company will not be able to proceed with the issue of the Director Shares.

In circumstances where Resolutions 7, 8, 9, 10, 11 and 12 are each conditional on and subject to the rest of those Resolutions being passed, and the completion of the issue of the relevant numbers of Tranche 2 Placement Shares set out in those Resolutions. If any of Resolutions 9, 10, 11 and 12 are not passed, Resolutions 7, 8, 9, 10, 11 and 12 (being the Resolutions with respect to the Tranche 2 Placement) will not be effective, and the Tranche 2 Placement will not proceed.

## **12.4 Information required by Listing Rule 10.13**

Pursuant to and in accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Shares to Ms Guthrie, Mr Mayes, Ms Brownlow and Ms Famous:

**(a) The names of the persons to whom the entity agreed to issue the securities and the category in rule 10.11 the person falls within**

The Director Shares are proposed to be issued to Ms Michelle Guthrie, Mr Philip Mayes, Ms Megan Brownlow and Ms Gabriele Famous (and/or their respective nominees) who are related parties to the Company (Listing Rule 10.11.1 category) by virtue of being Directors.

**(b) Number of securities and class of securities issued**

The maximum number of Shares to be issued under Resolution 9 is 8,571,429.  
The maximum number of Shares to be issued under Resolution 10 is 428,571.  
The maximum number of Shares to be issued under Resolution 11 is 571,429.  
The maximum number of Shares to be issued under Resolution 12 is 571,429.

**(c) Terms of the securities**

The Director Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

**(d) Date of issue**

The Director Shares will be issued as soon as practicable after the date of the meeting and in any event within one month after the date of the Meeting.

**(e) Issue price or other consideration**

The issue price for the Director Shares will be \$0.035 per Share, being a 20.0% discount to the 5-day VWAP up to and including 3 August 2022 (being the last day of trading before the Placement was announced), which was the same price under other Shares issued under the Placement.

**(f) Purpose of the issue, including the intended use of the funds raised**

The issue of the Director Shares (which form part of the Placement) is not intended to remunerate nor incentivise Ms Michelle Guthrie, Mr Philip Mayes, Ms Megan Brownlow and Ms Gabriele Famous, but is to raise capital for the purpose of:

- Providing working capital to allow deliverability against current contracts
- Allowing flexibility as the Company moves towards its stated target of becoming operational cashflow neutral by Q3 of FY2023
- Funding new revenue initiatives in the 'Work-For-Hire' space

**(g) Relevant agreement**

The Director Shares will not be issued pursuant to any written share subscription agreement and are conditional on and subject to the completion and issue of the Gamestar Tranche 2 Shares to Gamestar Studios.

**(h) Voting exclusion statement**

A Voting Exclusion Statement has been provided for these Resolutions in the Agenda Section in this Notice.

**12.5 Board recommendation**

Ms Guthrie, Mr Mayes, Ms Brownlow and Ms Famous decline to make a recommendation to Shareholders in relation to Resolutions 9, 10, 11 and 12 due to their material personal interest in the outcome of the Resolutions on the basis that they (or their nominees) are to be issued the Director Shares should Resolutions 9, 10, 11 and 12 be passed.

The remaining Board members recommend that Shareholders vote in favour of Resolutions 9, 10, 11 and 12.

## **13. Resolution 13, 14 & 15 – Approval to issue options to Directors**

### **13.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 12,000,000 options (**Options**) to Mr Hogg, Mr Butorac and Ms Fletcher (or their nominees) (**Related Parties**) on the terms and conditions set out below.

Resolutions 13 to 15 seek Shareholder approval for the issue of the Options to the Related Parties.

### **13.2 Chapter 2E of the Corporations Act**

A summary of Chapter 2E of the Corporations Act is set out in Section 12.2.

The issue of Options to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

Section 211 of the Corporations Act sets out that member approval is not needed to give a financial benefit if:

- (a) the benefit is remuneration to a related party as an officer or employee of the public company or a company that controls or is controlled by the public company; and

- (b) to give the remuneration would be reasonable given the circumstances of the public company giving the remuneration and the related party's circumstances, including the responsibilities involved in the office or employment.

The Directors (other than the Related Parties) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required with respect to the Options because the agreement to issue the Options to the Related Parties was reached as part of the remuneration package for the Related Parties, is considered reasonable remuneration in the circumstances, was negotiated on an arm's length basis and the exercise price per Option is the same as the price per Share offered to third parties under the Tranche 2 Placement.

### **13.3 Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders, unless it obtains the approval of its shareholders.

The issue of Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 13 to 15 seek the required Shareholder approval for the issue of the Options under and for the purposes of Listing Rule 10.11.

### **13.4 Technical information required by Listing Rule 14.1A**

If Resolutions 13 to 15 are passed, the Company will be able to proceed with the issue of the Options to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 13 to 15 are not passed, the Company will not be able to proceed with the issue of the Options.

### **13.5 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Options to Mr Hogg, Mr Butorac and Ms Fletcher:

- (a) **The names of the persons to whom the entity agreed to issue the securities and the category in rule 10.11 the person falls within**

The Options are proposed to be issued to Mr Ian Hogg, Mr David Butorac and Ms Melanie Fletcher who are related parties to the Company (Listing Rule 10.11.1 category) by virtue of being Directors.

**(b) Number of securities and class of securities issued**

The maximum number of Options to be issued under Resolution 13 is 4,000,000.

The maximum number of Options to be issued under Resolution 14 is 4,000,000.

The maximum number of Options to be issued under Resolution 15 is 4,000,000.

**(c) Terms of the securities**

The terms and conditions of the Options are set out in Annexure A. The value of the Options and the pricing methodology is set out in Annexure B.

**(d) Date of issue**

The Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Options will occur on the same date.

**(e) Issue price or other consideration**

The issue price of the Options will be nil. The Company will not receive any other consideration in respect of the issue of the Options (other than in respect of funds received on exercise of the Options). The exercise price will be \$0.35 per Option, being a 20.0% discount to the 5-day VWAP up to and including 3 August 2022 (being the last day of trading before the Placement was announced), which was the same price as for Shares issued under the Placement.

**(f) Purpose of the issue, including the intended use of the funds raised**

The purpose of the issue of the Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties.

**(g) Details of the Related Parties' current total remuneration packages**

The total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Ian Hogg	\$60,000	Nil
Mr David Butorac	\$60,000	Nil
Ms Melanie Fletcher	\$60,000	Nil

**(h) Relevant agreement**

As set out in Section 13.5(c) above, the Options will be issued on the terms and conditions set out in Annexure A. The Options will not be issued pursuant to any other written agreement or terms.

**(i) Voting exclusion statement**

A Voting Exclusion Statement has been provided for these Resolutions in the Agenda Section in this Notice.

**(j) Board recommendation**

Mr Hogg, Mr Butorac and Ms Fletcher decline to make a recommendation to Shareholders in relation to Resolutions 13, 14 and 15 due to their material personal interest in the outcome of the Resolutions on the basis that they are to be issued the Options should Resolutions 13, 14 and 15 be passed.

The remaining Board members recommend that Shareholders vote in favour of Resolutions 13, 14 and 15.

## **14. Resolution 16 – Approval of 7.1A Mandate**

### **14.1 General**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (7.1A Mandate).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$7,129,696 (based on the number of Shares on issue and the closing price of Shares on the ASX on 13 October 2022).

Resolution 16 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval. For note, a special resolution is a resolution requiring at least 75% of votes cast by shareholders present and eligible to vote at the meeting in favour of the resolution.

If Resolution 16 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 16 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

### **14.2 Technical information required by Listing Rule 7.1A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 16:

- a) Period for which the 7.1A Mandate is valid
- b) The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:
  - a. the date that is 12 months after the date of this Meeting;
  - b. the time and date of the Company's next annual general meeting; and
  - c. the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

#### 14.3 Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- a) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- b) if the Equity Securities are not issued within 10 trading days of the date in Section 14.3(a), the date on which the Equity Securities are issued.

#### 14.4 Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate (which must be issued for cash consideration) to fund the company ongoing business operations and working capital.

#### 14.5 Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 16 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 10 October 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.0175	\$0.035	\$0.0525
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	209,696,967	20,969,697	\$366,970	\$733,939	\$1,100,909
50% increase	314,545,451	31,454,545	\$550,455	\$1,100,909	\$1,651,364
100% increase	419,393,934	41,939,393	\$733,939	\$1,467,879	\$2,201,818

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 209,696,967 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing market price of the Shares on the ASX on 10 October 2022 (being, \$0.031).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

1. the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
2. the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

**14.6 Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:



1. the purpose of the issue;
2. alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
3. the effect of the issue of the Equity Securities on the control of the Company;
4. the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
5. prevailing market conditions; and
6. advice from corporate, financial and broking advisers (if applicable).

**14.7 Previous approval under Listing Rule 7.1A**

The Company has not previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting and therefore has not issued any Equity Securities pursuant to Listing Rule 7.1A in the preceding 12 months.

**14.8 Voting Exclusion Statement**

A Voting Exclusion Statement has been provided for these Resolutions in the Agenda Section in this Notice..

# GLOSSARY

## DEFINITIONS

In this Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

**Annual General Meeting** means a duly convened annual general meeting (or any adjournment thereof) of the Shareholders at which the Resolutions will be proposed at 11.00am Adelaide time on Monday 28<sup>th</sup> November 2022.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of Directors.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Adelaide, Australia.

**Chair** means the person appointed to chair the Meeting convened by the Notice.

**Closely Related Party** of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependant of the member or the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a personal prescribed by the Corporations Regulation.

**Company** means Mighty Kingdom Limited ACN 627 145 260.

**Company Secretary** means the company secretary of the Company, Ms Kaitlin Smith.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulation** means the *Corporations Regulation 2001* (Cth).

**Director** means a director of the Company.

**Explanatory Statement** means the explanatory statement which forms part of the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and includes those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

**Listing Rules** means the listing rules of ASX.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the five trading days immediately preceding that given date, unless otherwise specified.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this Notice of Annual General Meeting.

**Resolution** means a resolution referred to in the Notice.

**Security** means a security in the capital of the Company granted under these Rules, including a Plan Share, Option, Performance Right or other Convertible Security.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

## **ANNEXURE A TERMS OF OPTIONS**

The Company intends to grant;

- (a) 4,000,000 Options to Non-Executive Director Mr Ian Hogg
- (b) 4,000,000 Options to Non-Executive Director Mr David Butorac
- (c) 4,000,000 Options to Non-Executive Director Ms Melanie Fletcher

on the following terms and conditions:

### **1. Entitlement**

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (Share) upon exercise of the Option. The Options are for nil consideration per option.

### **2. Issue Date**

- (a) Within one month of obtaining Shareholder approval
- (b) Within one month of obtaining Shareholder approval
- (c) Within one month of obtaining Shareholder approval

### **3. Exercise Price and Expiry Date**

The Options have an exercise price of \$0.035 and an expiry date of 5:00pm (ACST Australia) of XX XXX 2025 (Expiry Date).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### **4. Vesting Conditions**

The Options granted will automatically vest after obtaining Shareholder approval.

### **5. Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date. Options subject to vesting conditions are exercisable at any time from vesting until on or prior to the Expiry Date.

### **6. Quotation of the Options**

The Options will be unquoted.

### **7. Transferability of the Options**

The Options are not transferable, unless prior written approval is received from the Board.

### **8. Notice of Exercise**

The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by an Option holder will be deemed to be a notice of the exercise of that Option as at the date of receipt.

## **9. Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.

## **10. Shares Issued on Exercise**

Shares issued on exercise of the Options rank equally with the then Shares of the Company.

## **11. Quotation of Shares on Exercise**

Application will be made by the Company to ASX, on the Business Day the Shares are issued, for quotation of the Shares issued upon the exercise of the Options.

## **12. Timing of Issue of Shares**

- (a) Subject to paragraph (b) below, within 3 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Director Option being exercised, the Company must:
- (b) issue the Shares pursuant to the exercise of the Options;
- (c) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Director Options.
- (e) If the Company is not then permitted to issue a cleansing notice under section 708A(5)(e) of the Corporations Act, the Company must either:
  - (i) issue a prospectus on the date that the Shares are issued under paragraph (a) above (In which case the date for issuing those Shares may be extended to not more than 25 Business Days after the receipt of the Exercise Notice, to allow the Company time to prepare that prospectus); or
  - (ii) issue a prospectus before the date that the Shares are issued under paragraph (a) above, provided that offers under that prospectus must still be open for acceptance on the date those Shares are issued,

in accordance with the requirements of section 708A(11) of the Corporations Act.

## **13. Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 Business Days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

#### **14. Adjustment for Bonus Issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

#### **15. Adjustment for Entitlements Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 14 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

#### **16. Adjustments for Reorganisation**

If there is any reorganization of the issued share capital of the Company, the rights of the Option holders will be varied in accordance with the ASX Listing Rules.

## ANNEXURE B VALUATION OF OPTIONS

The Options to be issued to the Related Parties pursuant to Resolutions 13 to 15 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Options were ascribed the following value:

<b>Assumptions:</b>	
Valuation date	12 October 2022
Market price of Shares	3.1 cents
Exercise price	3.5 cents
Expiry date (length of time from issue)	3 years
Risk free interest rate	3.53%
Volatility (discount)	100.80%
<b>Indicative value per Related Party Option</b>	1.9 cents
<b>Total Value of Options</b>	\$228,537
- 4,000,000 options to I Hogg (Resolution 13)	\$76,179
- 4,000,000 options to D Butorac (Resolution 14)	\$76,179
- 4,000,000 options to M Fletcher (Resolution 15)	\$76,179

**Note:** The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

## **ANNEXURE C INDEPENDENT EXPERT REPORT**



20 October 2022

The Independent Directors  
Mighty Kingdom Limited  
Level 4, 121 King William Street  
ADELAIDE SA 5000

Dear Independent Directors

**Re: Independent Expert's Report**

## **1. Introduction**

The Independent Directors of Mighty Kingdom Limited ("**MKL**" or the "**Company**") have requested PKF Melbourne Corporate Pty Ltd ("**PKF Corporate**") to prepare an Independent Expert's Report ("**IER**") in respect of a capital raising that may see Shane Yeend, via Gamestar Studios Pty Ltd and its associated entities, (collectively referred to as "**Gamestar Studios**") increase his voting power in the Company.

Gamestar Studios is a global gaming and entertainment company. Shane Yeend is the CEO and Founder of Gamestar Studios and has over 38 years of experience in the global gaming and entertainment industries. Gamestar Studios currently holds a relevant interest of 8.85% of the voting power in the Company (refer to Section 2.3 of the IER).

As the proposed transaction may result in the voting power of Gamestar Studios in the Company increasing beyond the 20% limit imposed by Section 606 of the Corporations Act 2001 (the "**Act**"), the proposed transaction cannot proceed without prior approval by the non-associated shareholders of the Company (the "**Non-Associated Shareholders**") in accordance with Section 611 item 7 of the Act.

## **2. The Proposed Issue**

### **2.1 Background to the Proposed Issue**

On 4 August 2022, the Company announced to the Australian Securities Exchange ("**ASX**") that it had received commitments from sophisticated and institutional investors to raise approximately AU\$7.0 million before costs via the issue of 200 million new MKL shares at an issue price of AU\$0.035 per new MKL share (the "**Placement**").

The Placement is being carried out in two tranches, consisting of the following:

- the issue of 27,351,778 new MKL shares under the first tranche of the Placement to raise approximately AU\$957,000 (before costs). This first tranche of the Placement was completed and the new MKL shares were issued on 15 August 2022.

Gamestar Studios participated in the first tranche of the Placement, subscribing for 16,228,571 new MKL shares raising approximately AU\$568,000; and

- subject to shareholder approval, the issue of 172,648,222 shares under the second tranche of the Placement to raise approximately AU\$6.04 million (before costs).

Gamestar Studios has subscribed for 98,057,143 new MKL shares under the second tranche of the Placement and this would raise funds of approximately AU\$3.43 million before transaction costs.

In addition to the shares subscribed for by Gamestar Studios under tranche 2 of the

PKF Melbourne Corporate Pty Ltd

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AFSL No: 222050

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PKF Melbourne Corporate Pty Ltd is a member firm of the PKF International Limited family of separately owned firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms

Placement, 10,142,858 of the new MKL shares under tranche 2 of the Placement have been subscribed for by Directors of the Company as these form part of Resolutions 9 to 12 as set out in Section 2.2 of the IER. The balance of the shares to be issued under tranche 2 of the Placement total 64,448,221 and are to be issued to non-related sophisticated and institutional investors.

The proceeds raised from the Placement are intended to be used to:

- fund working capital to allow deliverability against current contracts;
- provide flexibility as MKL aims for a cashflow neutral target; and
- fund new revenue initiatives in the 'Work-For-Hire' space.

## 2.2 Proposed Resolutions to be Approved by Shareholders

The Company is seeking shareholder approval at the forthcoming Annual General Meeting ("AGM"). The Notice of Annual General Meeting (the "Notice") requires the MKL shareholders to vote on the following ordinary resolutions:

Resolution 1: Adoption of Remuneration Report

Resolution 2: Election of Director – Melanie Fletcher

Resolution 3: Election of Director – Ian Hogg

Resolution 4: Election of Director – David Butorac

Resolution 5: Re-Election of Director – Michelle Guthrie

Resolution 6: Ratification of prior issue of Shares – Tranche 1 Placement

Resolution 7: Approval to issue Shares – Tranche 2 Placement to Gamestar Studios

Resolution 8: Approval to issue Shares – Tranche 2 Placement to sophisticated investors

Resolution 9: Approval to issue Shares to Michelle Guthrie, Non-Executive Chair

Resolution 10: Approval to issue Shares to Philip Mayes, Executive Director

Resolution 11: Approval to issue Shares to Megan Brownlow, Non-Executive Director

Resolution 12: Approval to issue Shares to Gabriele Famous, Non-Executive Director

Resolution 13: Approval of Options to Ian Hogg, Non-Executive Director

Resolution 14: Approval of Options to David Butorac, Non-Executive Director

Resolution 15: Approval of Options to Melanie Fletcher, Non-Executive Director

Resolution 16: Approval of 7.1A Mandate

We have been requested to provide an opinion on whether Resolution 7 is fair and reasonable to the Non-Associated Shareholders. For the avoidance of doubt, PKF Corporate has not been engaged to form an opinion on Resolutions 1 to 6 and 8 to 16 as set out in the Notice. However, as Resolutions 7 to 12 are interdependent on each other, the Non-Associated Shareholders have to approve all of these resolutions for them to become effective. For this reason, we regard Resolutions 7 to 12 as together forming part of one overall transaction and in the balance of the IER we refer to this transaction as the 'Proposed Issue' (the "**Proposed Issue**").

The Independent Directors of the Company have requested PKF Corporate to prepare an IER in accordance with ASIC Regulatory Guide 111 – Content of Expert Reports. ASIC Regulatory Guide 111 requires the Independent Expert to advise the Non-Associated Shareholders of the Company whether Resolutions 7 to 12 of the Notice is fair and reasonable, when considered in the context of the interests of the Non-Associated Shareholders (all shareholders entitled to vote on the Proposed Issue).

We have set out below the full text of Resolution 7:

*“That, for the purposes of Item 7, section 611 of the Corporations Act and for all other purposes and subject to Resolutions 8, 9, 10, 11 and 12 being passed, approval is given for:*

- (a) the Company to issue 98,057,143 Shares to Gamestar Studios Pty Limited ACN 655 647 082 (Gamestar Studios) on the terms and conditions set out in the Explanatory Statement; and*
- (b) the acquisition of a relevant interest in the issued voting shares of the Company by Gamestar Studios and its associates, otherwise prohibited by section 606(1) of the Corporations Act by virtue of the issue of the 98,057,143 Shares to Gamestar Studios, which will result in Gamestar Studios and its associates’ voting power in the Company increasing from 8.85% to 30.50%, as more particularly described in the Explanatory Statement.”*

### 2.3 Impact of the Proposed Issue

Gamestar Studios currently holds 18,553,765 MKL Ordinary Shares that carry voting rights or 8.85% of the voting power. Resolution 7 seeks approval by the Non-Associated Shareholders for up to 98,057,143 new MKL Ordinary Shares to be issued to Gamestar Studios under the Proposed Issue.

The table below shows the impact of the Proposed Issue on MKL’s voting power based on the maximum increase in the voting power of Gamestar Studios that would result should the Proposed Issue be approved (Resolutions 7 to 12 of the Notice) and all approved shares subsequently issued.

Table 1

Mighty Kingdom Limited Shareholding structure	if not approved		if approved	
	Number of shares held	Voting power	Number of shares held	Voting power
<b>Gamestar Studios</b>				
Gamestar Studios Pty Ltd	16,228,571	7.74%	114,285,714	29.89%
Yeend Superannuation Fund	2,325,194	1.11%	2,325,194	0.61%
	<b>18,553,765</b>	<b>8.85%</b>	<b>116,610,908</b>	<b>30.50%</b>
<b>Total Non-Associated Shareholders</b>	<b>191,143,202</b>	<b>91.15%</b>	<b>265,734,281</b>	<b>69.50%</b>
<b>Total shares on issue</b>	<b>209,696,967</b>	<b>100.00%</b>	<b>382,345,189</b>	<b>100.00%</b>

As can be seen from the above table, if the Non-Associated Shareholders approve the Proposed Issue, Gamestar Studios will be entitled to 98,057,143 new MKL Ordinary Shares under the Proposed Issue which would result in an aggregate voting power of Gamestar Studios increasing from 8.85% to 30.50%.

As the Proposed Issue will result in an increase in the voting power of Gamestar Studios from a starting position below the 20.0% limit imposed by Section 606 of the Act, the Proposed Issue cannot take place without prior approval by the MKL shareholders in accordance with Section 611 Item 7 of the Act.

### 3. Summary opinions

In our opinion, the Proposed Issue is **not fair but is reasonable to the Non-Associated Shareholders**. Our principal reasons for reaching this opinion are:

#### Fairness

In Section 7 of the IER, we assessed the value of a MKL Ordinary Share on a control basis before the Proposed Issue to be in a range of AU\$0.042 to AU\$0.052 per share, with a mid-point of AU\$0.047 per share.

In Section 8 of the IER, we assessed the value of a MKL Ordinary Share on a minority basis after the Proposed Issue to be in a range of AU\$0.034 to AU\$0.037 per share with a mid-point of AU\$0.036 per share.

As the minority value mid-point (AU\$0.036 per share) of a MKL Ordinary Share after the Proposed Issue is less than the control value mid-point (AU\$0.047 per share) of a MKL Ordinary Share before the Proposed Issue, we have concluded that the Proposed Issue is **not fair**.

#### Reasonableness

In Section 10 of the IER, we considered that the advantages of the Proposed Issue outweigh the disadvantages of the Proposed Issue and for this reason we have assessed the Proposed Issue as being **reasonable**. A summary of the significant factors that we considered are as follows:

#### Advantages

- Approval of the Proposed Issue will allow MKL to deploy its cash resources towards the growth of the Company in particular to provide working capital to implement the Company's business plan.
- If the Company's shareholders approve the Proposed Issue, the consolidation of Gamestar Studios as a major shareholder in the Company may provide a level of market confidence as well as provide operational, strategic and financial support to the Company which may enhance its ability to execute its business plan to improve the earnings potential of the Company.

#### Disadvantages

- If the Company's shareholders approve the Proposed Issue, Gamestar Studios may control up to 30.5% of the Company's voting power, an increase from 8.85%. As a result, the stake of the Non-Associated Shareholders will be diluted from 91.15% to 69.5% and they will have reduced ability to influence the operating, financing and strategic direction of the Company.

Further, as the voting power of Gamestar Studios will increase to 30.5%, this will result in the dilution of the other major shareholders of the Company (refer to Section 6.3 of the IER), however, the combined interest of the major shareholders including Gamestar Studios will increase and, as such, these shareholders may have the capacity to have significant influence over the passing of resolutions in the Company. The extent of the change in the shareholding interest of the other major shareholders, and their combined shareholding interest, will be subject to participation, if any, in tranche 2 of the Placement.

#### Other factors

- The issue price of the new MKL Ordinary Shares subject to the Proposed Issue is not at any premium or discount to tranche 1 of the Placement which completed, however, the issue price is now at a slight premium to the closing share price of an MKL share of AU\$0.033 as at 30 September 2022.

- If MKL shareholders do not approve the Proposed Issue, this may discourage Gamestar Studios from providing further financial support to the Company and the Company may need to seek alternative funding to support its working capital requirements. This may require extensive management focus and expense to secure, which may leave the Company without the resources to achieve its business plans. The availability of alternative funding may be on substantially less advantageous terms than the Proposed Issue and may be highly dilutive to existing shareholders in MKL.
- The net cash position of the Company is approximately AU\$2.5 million after deducting the outstanding tax liabilities of approximately AU\$1.2 million from the reported cash resources as at 30 June 2022. The Company's independent auditor's report set out in the Company's Annual Report for 2022 raised a material uncertainty in relation the Company's ability to continue as a going concern. If Shareholders do not approve the Proposed Issue, the Company may be required to manage insufficient financial resources which will not enhance its ability to meet its ongoing working capital requirements and remain solvent.

#### 4. Structure of this report

The remainder of this report is divided into the following sections:

<u>Section</u>		<u>Page</u>
5	Purpose of the report	7
6	MKL – key information	9
7	Valuation of MKL shares before the Proposed Issue	15
8	Valuation of MKL shares after the Proposed Issue	20
9	Assessment as to Fairness	21
10	Assessment as to Reasonableness	21
11	Assessment as to Fairness and Reasonableness	22
12	Financial Services Guide	23
<u>Appendix</u>		
A	Sources of Information	25
B	Declarations, Qualifications and Consents	26
C	Valuation methodologies	27

## 5. Purpose of the report

This report has been prepared to meet the following regulatory requirements:

### Corporations Act 2001 – Section 611

Section 606 of the Act contains a general prohibition on the acquisition of shares in a company if, as a result of the acquisition, any person increases his or her voting power in the company:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

Section 611 of the Act contains an exception to the Section 606 prohibition. For an acquisition of shares to fall within the exception, the acquisition must be approved in advance by a resolution passed at a general meeting of the company whose shares will be acquired.

The Company is seeking shareholder approval for the Proposed Issue under item 7 of Section 611 of the Act, as the voting power of Gamestar Studios may increase from 20% or below to more than 20% as provided by Section 606 of the Act.

### ASIC Regulatory Guide 111 – Content of Expert Reports (“RG111”)

RG 111.24 An issue of shares by a company otherwise prohibited under s606 may be approved under item 7 of s611 and the effect on the company’s shareholding is comparable to a takeover bid. Examples of such issues approved under item 7 of s611 that are comparable to takeover bids under Ch 6 include:

- (b) a company issues securities in exchange for cash, as a consequence, the allottee acquires over 20% of the company. The allottee could have achieved the same or a similar outcome by using a cash-rich entity to make a scrip takeover bid for the company.

RG 111.27 There may be circumstances in which the allottee will acquire 20% or more of the voting power of the securities in the company following the allotment or increase an existing holding of 20% or more, but does not obtain a practical measure of control or increase its practical control over that company. If the expert believes that the allottee has not obtained or increased its control over the company as a practical matter, then the expert could take this outcome into account in assessing whether the issue price is ‘reasonable’ if it has assessed the issue price as being ‘not fair’ applying the test in RG 111.11.

RG 111.10 It has long been accepted in Australian mergers and acquisitions practice that the words ‘fair and reasonable’ in s640 establish two distinct criteria for an expert analysing a control transaction:

- (a) is the offer ‘fair’; and
- (b) is it ‘reasonable’?

That is, ‘fair and reasonable’ is not regarded as a compound phrase.

RG 111.11 Under this convention, an offer is ‘fair’ if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer<sup>1</sup>. This comparison should be made:

- (a) assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length; and

<sup>1</sup> In an ASIC Corporate Finance Liaison presentation in May 2013, ASIC has expressed the view that transactions purpose to item 7 of Section 611 of the Act should be assessed by “comparing the fair market value of the company’s shares pre-transaction on a control basis, with the fair market value of the company’s shares post-transaction on a minority basis”.

- (b) assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash. The expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison. For example, in valuing securities in the target entity, it is inappropriate to apply a discount on the basis that the shares being acquired represent a minority or 'portfolio' parcel of shares.

RG 111.12 An offer is 'reasonable' if it is fair. It might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG111 requires that the Proposed Issue be assessed as if it was a takeover of the Company. In assessing a takeover bid, RG111 states that the expert should consider whether the Proposed Issue is both "fair" and "reasonable".

### General

The terms "fair" and "reasonable" are not defined in the Act, however, guidance as to the meaning of these terms is provided by ASIC in Regulatory Guide 111. For the purpose of this report, we have defined them as follows:

Fairness	the Proposed Issue is "fair" if the value of the minority shares held by the Non-Associated Shareholders in the Company after the Proposed Issue is equal to or greater than the control value of the shares held by the Non-Associated Shareholders in the Company before the Proposed Issue.
Reasonableness	the Proposed Issue is "reasonable" if it is fair. It may also be "reasonable" if, despite not being "fair" but after considering other significant factors, shareholders should vote in favour of the Proposed Issue in the absence of a superior proposal being received.

What is fair and reasonable for the Non-Associated Shareholders should be judged in all the circumstances of the proposal.

The methodology that we have used to form an opinion as to whether the Proposed Issue is fair and reasonable, is summarised as follows:

- (i) In determining whether the Proposed Issue is fair, we have:
- assessed the value of the Company before the Proposed Issue and determined the control value of one MKL Ordinary Share;
  - assessed the value of the Company after the Proposed Issue and determined the minority value of one MKL Ordinary Share; and
  - compared the control value of one MKL Ordinary Share before the Proposed Issue with the minority value of one MKL Ordinary Share after the Proposed Issue.
- (ii) In determining whether the Proposed Issue is reasonable, we have analysed other significant factors that the Non-Associated Shareholders should review and consider prior to accepting or rejecting the Proposed Issue.



## 6. MKL - key information

### 6.1 Background

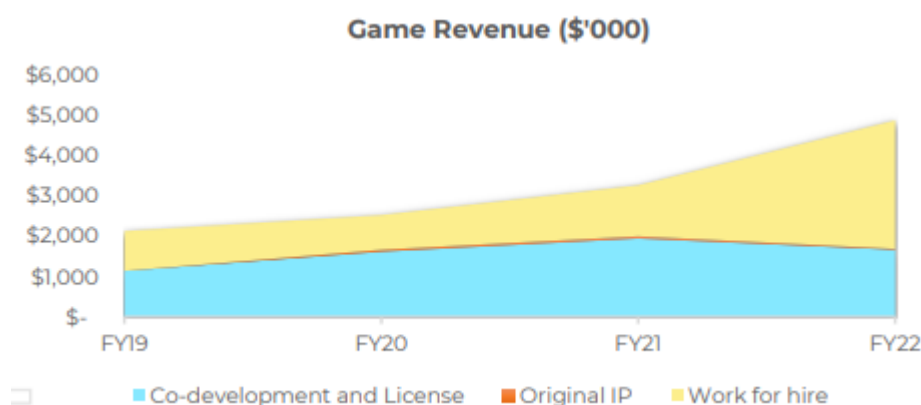
MKL is an ASX-listed company focused on developing a broad portfolio of video games for console, PC and mobile platforms, although to-date the Company has primarily focused on the development of mobile games. The Company has developed background intellectual property (such as source code) which underpins its game development and can be reused for other games developed. The Company has also developed proprietary technology including a proprietary narrative engine, data analytics platform and talent acquisition software.

MKL's operating model consists of the following three functions from which revenues are derived:

- 'Work For Hire' – MKL is either approached or tenders to undertake the development of a proposed game by a contracting party. MKL works collaboratively with the contracting party to create a concept and game based on their brand or product. MKL is typically paid fixed milestone payments throughout the game's development cycle but does not receive any post-game release revenues. The Company currently has 'Work For Hire' contracts with companies such as Google.
- 'Co-development' – MKL licences third party intellectual property (such as an established third-party brand) to leverage such established intellectual property to develop a game which is aligned to that brand. Under such an arrangement, MKL typically pays an upfront fee to license the brand and shares the development costs with the game publishers and other game developers. MKL receives post-game release royalties.
- 'Original IP' – MKL originates and develops intellectual property which forms the basis for multiple games. MKL partners with third-party developers and/or publishers to share the costs of a game's development and distribution, although MKL also has the option to fully fund the development and distribution of games to maximise its revenues. MKL typically receives development revenues and post-game release royalties as well as license revenues for its developed intellectual property.

The revenue composition of MKL for the financial years ended 30 June 2019 ("FY19"), 30 June 2020 ("FY20"), 2021 ("FY21") and 2022 ("FY22") is presented in the graph below.

Figure 1



Source: MKL's Annual Report for the financial year ended 30 June 2022

MKL's primary revenue source is from 'Work for Hire' projects. A breakdown of revenues by project is presented in the table below.

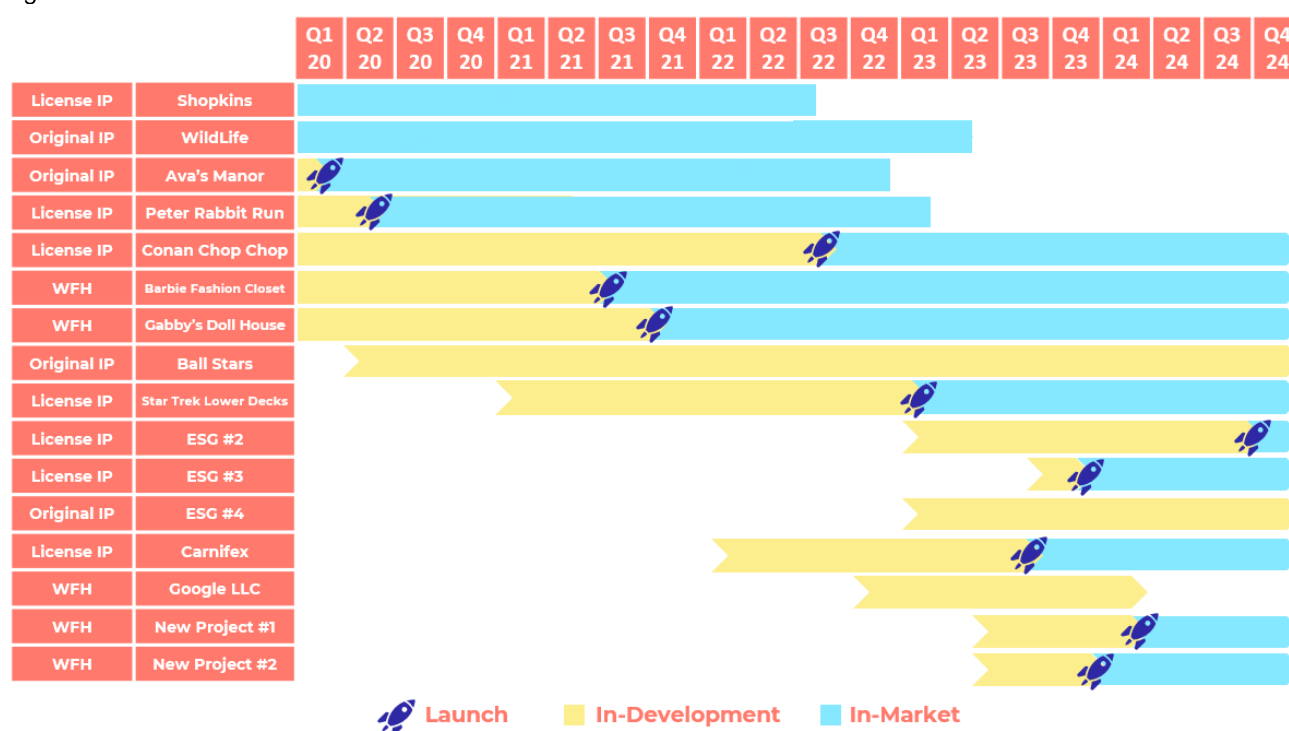
Table 2

Mighty Kingdom Limited Revenue Breakdown	Audited June 2021 AU\$	Unaudited June 2022 AU\$
Co-development	1,955,588	1,673,443
Original IP	50,929	27,321
Work for hire	1,271,512	3,195,805
<b>Total Revenue</b>	<b>3,278,029</b>	<b>4,896,569</b>

Source: MKL's Annual Report for the financial year ended 30 June 2022

MKL's current 'in-market' and 'in-development' games are visually presented below.

Figure 2



Source: MKL

## 6.2 Directors

The Company's current Directors are presented in the table below.

Table 3

Mighty Kingdom Limited Directors
Michelle Guthrie (Chair and Independent Non-Executive Director)
Philip Mayes (CEO and Managing Director)
David Butorac (Independent Non-Executive Director)
Megan Brownlow (Independent Non-Executive Director)
Ian Hogg (Independent Non-Executive Director)
Gabriele Famous (Independent Non-Executive Director)
Melanie Fletcher (Independent Non-Executive Director)

Source: ASX

### 6.3 Issued capital

Following completion of tranche 1 of the Placement and as at 30 September 2022, the Company had on issue 209,696,967 fully paid Ordinary Shares. As at 30 September 2022, the major shareholders of the Company and their associates are presented in the table below.

Table 4

Mighty Kingdom Limited Shareholder name	Number of shares held	Percentage Interest
Phillip James Mayes*	52,500,000	25.04%
Phoenix Portfolios Pty Ltd	21,723,324	10.36%
Gamestar Studios*	18,553,765	8.85%
iCandy Games Ltd	11,781,362	5.62%
Regal Funds Management	10,309,999	4.92%
<b>Total</b>	<b>114,868,450</b>	<b>54.78%</b>

Source: ASX

\*includes relevant interest held via associated entities

As at 30 September 2022, 55,554,165 of the fully paid Ordinary Shares on issue in the Company are classified as 'restricted' shares as they are held in escrow until 21 April 2023. The majority of the restricted shares are held by Mr Phillip James Mayes.

As at 30 September 2022, MKL also had a total of 18,791,489 options on issue that are convertible into Ordinary Shares of MKL. We have presented the terms of these securities in the table below.

Table 5

Mighty Kingdom Limited Options	Total number	Exercise price AU\$	Expiry date
Unlisted options*	649,252	0.300	15/12/2023
Unlisted options*	486,939	0.300	2/03/2024
Unlisted options*	486,939	0.300	9/03/2024
Unlisted options*	10,254,109	0.150	19/11/2025
Unlisted options	2,234,750	0.150	19/11/2025
Unlisted options	4,679,500	0.150	16/02/2026
<b>Total</b>	<b>18,791,489</b>		

Source: ASX

\*restricted options as they are held in escrow until 21 April 2023

After considering the terms and conditions of all the MKL unlisted options, we have not treated any of these options on an as converted basis (non-dilutive basis) in the balance of the IER as all of these options have an exercise price much greater than the closing share price of a MKL share on 30 September 2022 of AU\$0.033 (refer to Section 7.3 of the IER) and, as such, they are considered to be well out of the money.

## 6.4 Statement of financial position

MKL's consolidated statements of financial position as at 30 June 2020, 2021 and 2022 are presented in the table below.

Table 6

Mighty Kingdom Limited Consolidated Statement of Financial Position	Audited June 2020 AU\$	Audited June 2021 AU\$	Audited June 2022 AU\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	81,656	13,553,042	3,754,467
Trade and other receivables	1,532,956	1,485,875	3,244,561
Prepayments	32,958	372,513	590,641
Contract assets	-	516,481	994,101
Other current assets	11,122	316,677	376,860
<b>Total Current Assets</b>	<b>1,658,692</b>	<b>16,244,588</b>	<b>8,960,630</b>
<b>Non Current Assets</b>			
Deferred tax asset	837,526	567,672	146,972
Property, plant and equipment	201,587	345,822	840,335
Right-of-use assets	468,782	1,315,850	631,160
<b>Total Non Current Assets</b>	<b>1,507,895</b>	<b>2,229,344</b>	<b>1,618,467</b>
<b>Total Assets</b>	<b>3,166,587</b>	<b>18,473,932</b>	<b>10,579,097</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	2,985,625	2,191,245	2,350,127
Contract liabilities	452,015	5,275	165,387
Provision for income tax	-	144,637	-
Employee benefits	1,038,124	1,379,137	1,296,483
Loans and borrowings	378,788	53,664	-
Lease liabilities	93,943	348,391	459,700
<b>Total Current Liabilities</b>	<b>4,948,495</b>	<b>4,122,349</b>	<b>4,271,697</b>
<b>Non Current Liabilities</b>			
Trade and other payables	-	1,269,564	626,539
Employee benefits	91,455	99,172	161,937
Deferred tax liabilities	830,734	-	-
Loans and borrowings	99,853	58,304	-
Lease liabilities	388,824	1,021,687	233,537
<b>Total Non Current Liabilities</b>	<b>1,410,866</b>	<b>2,448,727</b>	<b>1,022,013</b>
<b>Total Liabilities</b>	<b>6,359,361</b>	<b>6,571,076</b>	<b>5,293,710</b>
<b>Net Assets</b>	<b>(3,192,774)</b>	<b>11,902,856</b>	<b>5,285,387</b>
<b>Equity</b>			
Share capital	3,501,000	24,218,367	28,462,886
Share-based payment reserves	-	1,523,864	1,523,864
Retained losses	(6,693,774)	(13,839,375)	(24,701,363)
<b>Total Equity</b>	<b>(3,192,774)</b>	<b>11,902,856</b>	<b>5,285,387</b>

Source: MKL's Annual Report for the financial years ended 30 June 2021 and 30 June 2022

## 6.5 Operating performance

MKL's consolidated statements of profit or loss and other comprehensive income for the financial years ended FY20, FY21 and FY22 are presented in the table below.

Table 7

Mighty Kingdom Limited Consolidated Statement of Profit or Loss and Other Comprehensive Income	Audited June 2020 AU\$	Audited June 2021 AU\$	Audited June 2022 AU\$
Revenue	2,535,915	3,278,029	4,896,569
Other income	1,696,394	2,847,605	3,227,083
<b>Expenses</b>			
Employee benefits expenses	(5,977,390)	(8,930,751)	(14,501,823)
Share-based payments expenses	-	(1,523,864)	-
Product development support service fees	(872,061)	(1,079,538)	(1,231,039)
Selling costs	(84,840)	(119,856)	(106,525)
Capital raising and IPO expenses	-	(178,260)	-
Administrative expenses	(543,602)	(719,157)	(1,665,462)
Professional and consultancy fees	(104,454)	(420,975)	(241,256)
Depreciation and amortisation	(152,585)	(204,045)	(609,138)
Other expenses	(7,467)	(35,712)	(74,545)
<b>Loss from operations</b>	<b>(3,510,090)</b>	<b>(7,086,524)</b>	<b>(10,306,136)</b>
Finance expenses	(86,204)	(171,074)	(74,485)
Finance income	-	52,468	6,524
<b>Loss before income tax</b>	<b>(3,596,294)</b>	<b>(7,205,130)</b>	<b>(10,374,097)</b>
Income tax (expense) / benefit	6,629	59,529	(487,891)
<b>Loss after income tax</b>	<b>(3,589,665)</b>	<b>(7,145,601)</b>	<b>(10,861,988)</b>
Other comprehensive income/(loss) for the year, net of tax	-	-	-
<b>Total comprehensive loss for the year</b>	<b>(3,589,665)</b>	<b>(7,145,601)</b>	<b>(10,861,988)</b>

Source: MKL's Annual Report for the financial years ended 30 June 2021 and 30 June 2022

## 6.6 Cash flow statements

MKL's consolidated statements of cash flows for FY20, FY21 and FY22 are presented in the table below.

Table 8

<b>Mighty Kingdom Limited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
<b>Consolidated Statement of Cash Flows</b>	<b>June 2020</b>	<b>June 2021</b>	<b>June 2022</b>
	<b>AU\$</b>	<b>AU\$</b>	<b>AU\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers	2,108,204	3,105,666	4,917,311
Payments to suppliers and employees	(5,110,761)	(11,321,234)	(19,109,117)
Research and development incentive	958,683	560,937	1,072,328
Other government grant income	865,617	1,532,215	321,641
Other income	-	10,673	242,302
Interest received	-	52,468	6,524
Interest paid	(53,175)	(11,062)	(16,754)
Tax paid	-	-	(144,637)
<b>Net cash used in operating activities</b>	<b>(1,231,432)</b>	<b>(6,070,337)</b>	<b>(12,710,402)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(110,160)	(214,088)	(716,562)
<b>Net cash used in investing activities</b>	<b>(110,160)</b>	<b>(214,088)</b>	<b>(716,562)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of non-redeemable preference shares	1,000,000	-	-
Proceeds from issue of convertible notes	-	4,000,000	-
Transaction costs related to issuance of convertible notes	-	(384,210)	-
Proceeds from issue of shares	-	18,000,000	4,446,094
Transaction costs related to the shares issued	-	(1,371,979)	(268,765)
Loan repayment made during the year	(43,474)	(241,265)	(111,968)
Principal element of lease payments	(121,327)	(121,327)	(436,972)
Proceeds from borrowings	200,000	-	-
<b>Net cash from financing activities</b>	<b>1,035,199</b>	<b>19,881,219</b>	<b>3,628,389</b>
Net increase/decrease in cash and cash equivalents	(306,393)	13,596,794	(9,798,575)
Cash and cash equivalents at the beginning of the period	262,641	(43,752)	13,553,042
<b>Cash and cash equivalents at the end of the period</b>	<b>(43,752)</b>	<b>13,553,042</b>	<b>3,754,467</b>

Source: MKL's Annual Report for the financial year ended 30 June 2021 and 30 June 2022

## 7. Valuation of MKL shares before the Proposed Issue

### 7.1 Value definition

PKF Corporate's valuation of MKL is on the basis of 'fair market value', defined as:

*'the price that could be realized in an open market over a reasonable period of time given the current market conditions and currently available information, assuming that potential buyers have full information, in a transaction between a willing but not anxious seller and a willing but not anxious buyer acting at arm's length'.*

### 7.2 Valuation methodologies

In selecting appropriate valuation methodologies to assess the value of MKL, we considered the applicability of a range of generally accepted valuation methodologies. Each methodology is described in detail in Appendix C of the IER.

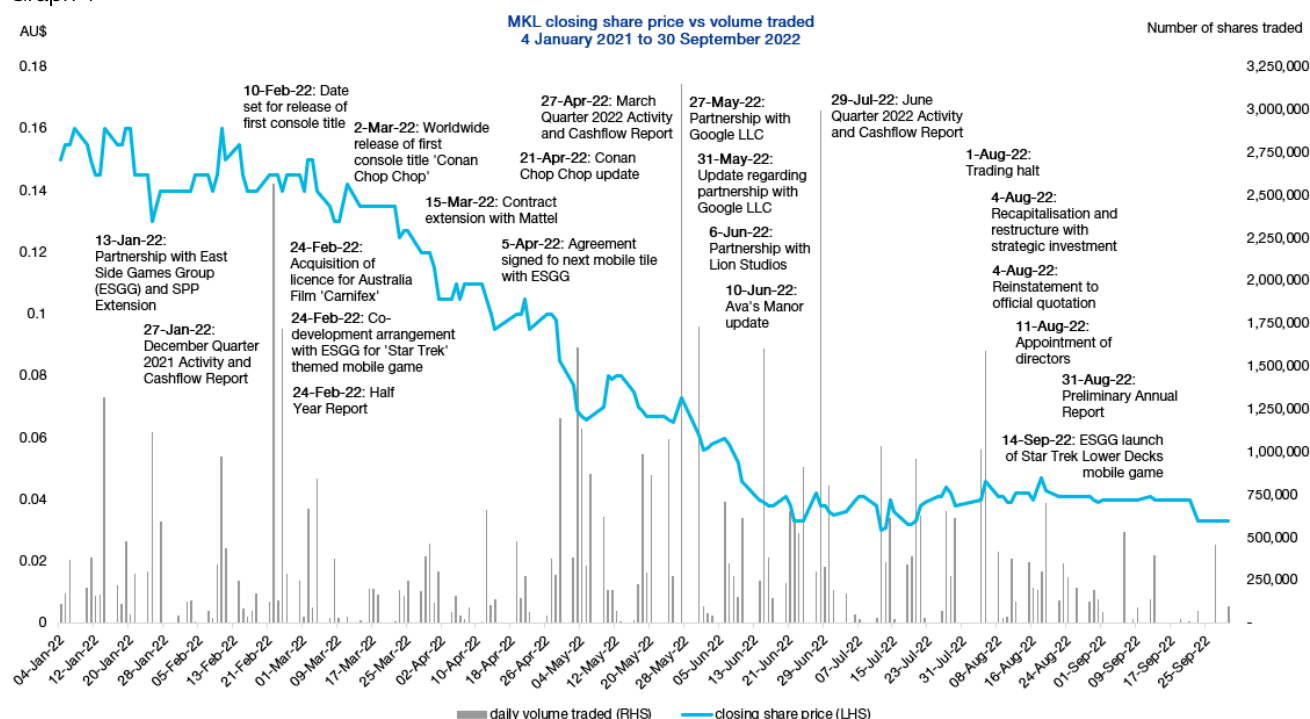
### 7.3 Share price history

As the share price history of MKL will incorporate all publicly available information, we consider that the share price history is an appropriate methodology to use in assessing the value of a MKL share.

We note that the Proposed Issue was announced to the ASX on 4 August 2022 following a trading halt that took effect on 1 August 2022, however, as the Proposed Issue continues up to the current date, we have analysed the share price of MKL up to the current date (30 September 2022).

We have set out below a graph showing the daily closing share price and the volume of MKL shares traded up to and including 30 September 2022 as well as a selection of market sensitive announcements on the ASX.

Graph 1



Source: ASX, PKF Corporate analysis

We provide the following comments in respect to our key observations of the trading activity in MKL shares:

- During the March 2022 quarter, the share price of MKL traded in a relatively tight range and we consider this to be as a result of a capital raise announced in late 2021 at a share price of AU\$0.145 per MKL share. The capital raise was conducted in various tranches during December 2021 and early 2022 via a private placement and a share purchase plan.
- On 27 May 2022, MKL announced to the ASX that it had partnered with Google LLC for a technology partnership. MKL's shares entered a trading halt subsequent to this announcement and an updated announcement with regard to further information regarding the partnership with Google LLC was announced on 31 May 2022. Following this announcement, MKL experienced a significant level of trading in its shares.
- Since MKL announced to the ASX the partnership with Google LLC during late May 2022 and the partnership with Lion Studios during early June 2022, MKL has not announced to the ASX any other notable operating milestones up to and including 30 September 2022 and the MKL share price has continued to trade at a low base. Although we observed a spike in trading activity in MKL shares during the week commencing 27 June 2022, there is no explanation to suggest the reason for the trading activity apart from shareholders selling MKL shares to crystallise any capital losses for taxation purposes prior to the end of the financial year.
- On 1 August 2022 MKL shares entered a trading halt and resumed trading on 4 August 2022 following announcement of the Placement including the strategic investment from Gamestar Studios and the appointment of new directors to the board of the Company. MKL shares experienced a higher trading volume on 4 August 2022 and 5 August 2022. The issue price of the Placement at AU\$0.035 per MKL share was at a slight discount to the last traded share price, prior to the trading halt, of AU\$0.038 per MKL share (29 July 2022).
- The issue of shares under tranche 1 of the Placement was effective on 15 August 2022 and this did not result in any increased volume of MKL shares traded. Since MKL announced to the ASX the Placement, the MKL share price traded in a range of AU\$0.033 to AU\$0.050.
- The share price of MKL trended downwards during the months of May 2022 and June 2022 and has continued to trade at a lower base during the months of July 2022 through to September 2022 in the absence of any notable business operational update market announcements. Prior to and including 30 September 2022, MKL shares traded in a range of AU\$0.030 to AU\$0.050 over the preceding 60 trading days and a range of AU\$0.033 to AU\$0.041 over the preceding 20 trading days.

We examined the recent share prices and trading volumes in MKL shares up to and including 30 September 2022 including the volume weighted average price ("VWAP") of MKL shares based on closing daily prices on the ASX for business trading dates. We have set out our analysis in the table below.

Table 9

Share price analysis	Shares Traded		VWAP AU\$	Share Price AU\$	
	Number	Value AU\$		Low	High
10 days to 30 September 2022	678,078	22,689	0.033	0.033	0.041
20 days to 30 September 2022	1,871,966	70,585	0.038	0.033	0.041
30 days to 30 September 2022	4,065,482	161,387	0.040	0.033	0.049
60 days to 30 September 2022	14,780,609	577,864	0.039	0.030	0.050
90 days to 30 September 2022	32,194,161	1,419,332	0.044	0.030	0.096

Source: ASX, PKF Corporate analysis

As can be seen from the above table, the VWAP of MKL shares has trended downwards and the VWAP has ranged between AU\$0.033 to AU\$0.044 over the preceding periods leading up to and including 30 September 2022.



- As at 30 September 2022, a total of 209,696,967 MKL Ordinary Shares were on issue, however, this included 55,554,165 restricted Ordinary Shares. In assessing the 'free float' of ordinary shares that is readily tradeable on market we would typically also exclude shares held by strategic shareholders, directors and employees. As MKL issued new shares under tranche 1 of the Placement on 15 August 2022, we have assessed the number of MKL shares that was readily tradeable (representing the 'free float') over the preceding 30 days to be only 96,285,008 by excluding the restricted shares and those additional shares held by the major shareholders (refer to Table 4 of the IER, excluding Regal Funds Management) and directors of the Company. Accordingly, the free float calculated represents approximately 45.0% of the total MKL Ordinary Shares on issue during this period.

We have calculated the volume of shares traded in MKL over the past 30 trading days up to and including 30 September 2022 of the calculated 'free float' only. The free float may be lower if shares held by other strategic shareholders and employees of the Company are excluded. We have set out our analysis in the table below.

Table 10

Mighty Kingdom Limited Share volume analysis		% of free float traded		
		10 days	20 days	30 days
Number of shares traded to 30 September 2022		678,078	1,871,966	4,065,482
MK free float <b>96,285,008</b>		0.70%	1.94%	4.22%

Source: ASX, PKF Corporate analysis

Despite the low value of shares traded in MKL (refer to Table 9 of the IER), the market in MKL shares is relatively liquid as 1.0% of the 'free float' is traded every 10 trading days on average.

Based on the above comments and analysis, we have formed the view that the market in MKL shares is sufficiently liquid and, for this reason, we consider that the share price valuation methodology is appropriate to adopt as a valuation methodology to assess the market value of MKL shares for the purpose of assessing the value of MKL shares. Accordingly, we have formed the opinion that the MKL shares have a market value in the range of AU\$0.035 to AU\$0.040 per share on a minority basis.

The share prices upon which we have formed our opinion reflect the prices at which minority parcels of shares are traded on a daily basis and, as such, do not incorporate a control premium. Accordingly, we have considered the application of a control premium which represents the difference between the price that would have to be paid for a share to which a controlling interest attaches and the price at which a share which does not carry with it control of MKL could be acquired.

In assessing the control premium to be applied to the share price of MKL, we have relied on the relevant matrix from the RSM Control Premium Study – 2021 applicable to MKL. We have summarised this research in the table below.

Table 11

Analysis by	Criteria	Control Premium	
		20 days pre-announcement Average	Median
All transactions		34.7%	27.5%
Industry	Other	29.6%	25.0%
Consideration type	Cash	36.2%	28.6%
Size	<= \$25m	50.8%	N/A

Source: RSM Control Premium Study 2021

The actual control premium paid is transaction specific and depends on a range of factors, such as the level of synergies available to the purchaser, the level of competition for the assets and the strategic importance of the assets. We note that the above research sets out statistical information about actual control premia paid and, as such, includes an unknown uplift on account of potential acquisition synergy benefits. We are of the opinion that the control premium in a transaction that did not include expected synergies would be lower.

After considering the above, we have applied a control premium in a range of 21.0% to 29.0% to the minority share price of one MKL share in a range of AU\$0.035 to AU\$0.040. We have summarised the results of this calculation in the table below.

Table 12

Mighty Kingdom Limited		
Share price methodology	Low	High
Value per MKL share (minority)	AU\$0.035	AU\$0.040
Control premium	21.00%	29.00%
<b>Value per MKL share (control)</b>	<b>AU\$0.042</b>	<b>AU\$0.052</b>

Source: PKF Corporate analysis

Having regard to the above, we have concluded that the control value of a MKL share is in a range of **AU\$0.042 to AU\$0.052 per share** as assessed under the share price valuation methodology.

#### 7.4 Capitalisation of future maintainable earnings

As MKL is yet to generate profitable earnings (refer to Section 6.5 of the IER) and as MKL has not announced any estimate of forecast earnings to the market apart from targeting a breakeven operating cash flow position for the quarter ending March 2023 (refer to ASX announcement dated 27 September 2022), we consider that the capitalisation of maintainable earnings is not an appropriate methodology to use to value the MKL shares at this point in time.

#### 7.5 Net present value of future cash flows

MKL is yet to generate positive cash flows from operating activities (refer to Section 6.6 of the IER). As MKL also does not have current long term cash flow forecasts available, we consider that the net present value of future cash flows methodology cannot be used to value the MKL shares at this point in time.

#### 7.6 Asset based methods

As at 30 June 2022, MKL reported net assets as per the audited statement of financial position of approximately AU\$5.285 million including total assets of approximately AU\$10.579 million (refer to Section 6.4 of the IER). We provide the following comments:

- As at 30 June 2022, the Company reported cash and cash equivalents of approximately AU\$3.75 million of which more than AU\$2.80 million is held in US dollars. Although the Company does not have any external debt, it currently has an interest-free payment plan with the Australian Taxation Office to repay the outstanding taxation liabilities over the next four years and totalling approximately AU\$1.23 million as at 30 June 2022.
- As at 30 June 2022, the Company reported trade and other receivables of approximately AU\$3.24 million of which AU\$2.33 million relates to R&D incentives receivable (which may be receivable in cash or as a tax offset). After deducting the R&D incentives receivable, the Company's trade and other receivables balance totals approximately AU\$900,000 as at 30 June 2022 compared to reported trade and other payables (current and non current) of approximately AU\$2.98 million of which AU\$1.23 million relates to the outstanding taxation liabilities as at 30 June 2022.

- As at 30 June 2022, the Company reported contract assets (work performed on current projects that is yet to be invoiced) of approximately AU\$1.0 million compared to contract liabilities (monies received in advance of service performed) of approximately AU\$165,000.

The reported net asset backing of MKL does not attribute any value to any intangible assets of the Company such as internally developed games and software and other background technology that is and can be used in the development of games. In light of this observation, we have reviewed and analysed available information regarding MKL and comparable ASX listed companies focused on video game development. We have set out in the table below our analysis and calculations of key valuation metrics placed by the market on these companies.

Table 13

Comparable companies analysis Company name	note	ASX Stock Code	Market <sup>1</sup> Cap AU\$ m	Enterprise Value AU\$ m	Assessed <sup>2</sup> NTAB AU\$ m	Implied <sup>3</sup> IA AU\$ m	Implied <sup>4</sup> IA on MC
PlaySide Studios Limited	1	PLY	255.6	219.7	37.9	217.7	85.16%
iCandy Interactive Limited	2	ICI	88.3	67.4	38.9	49.3	55.89%
Mighty Kingdom Limited		MKL	6.9	3.9	5.3	1.6	23.62%

Source: ASX, S&P Capital IQ, PKF Corporate analysis

<sup>1</sup> market capitalisation based on closing share prices as at 30 September 2022

<sup>2</sup> assessed net tangible asset backing = reported net asset backing less reported intangible assets/goodwill

<sup>3</sup> implied intangible assets = market capitalisation less assessed net tangible asset backing

<sup>4</sup> implied intangible assets on market capitalisation = implied intangible assets divided by market capitalisation

Note 1: PlaySide Studios Limited develops mobile, PC, and console video games in Australia. It provides titles in a range of categories, including self-published games based on original intellectual property and games developed in collaboration with studios.

Note 2: iCandy Interactive Limited designs, develops, and publishes mobile games and digital entertainment. The company also offers software for interactive digital media, as well as engages in the design and development of intellectual properties for software applications and games.

Having regard to the above analysis, the comparable ASX companies are trading at a significant premium to their respective net tangible asset backing when compared to the Company. Accordingly, this suggests that the market is placing a significant value on the intangible assets of companies focused on the provision of video games development and in particular those which develop and publish games based on their original intellectual property.

The Company derives the majority of its revenues from 'Work for Hire' projects rather than its original intellectual property and, as such, the Company is yet to establish itself as a developer and publisher of games based on original intellectual property. Accordingly, we are of the view that the market is not placing a high value on the earnings potential of the Company's intangible assets such as its brand as a self-publisher and developer when compared to PlaySide Studios Limited and iCandy Interactive Limited.

In light of the above comments, we have concluded that the net asset approach does not reflect the market value of any of MKL's intangible assets and, as such, we do not consider this valuation methodology to be applicable in valuing MKL shares at this point in time.

As the Company has existing cash resources, financial support from its major shareholders and an ability to raise capital as demonstrated by the recent capital raisings, we do not consider that an orderly realisation or liquidation of the Company's assets is an appropriate valuation methodology to use in assessing the value of the MKL shares at this point in time.

## 7.7 Comparable market transactions

MKL operates within the global interactive games market. We are not aware of any specific rules of thumb which can be applied in valuing the shares of MKL and, as such, we are unable to apply this valuation methodology.

## 7.8 Alternative acquirer

We are not aware of any formal offers for the MKL shares nor its assets and we can see no reason as to why an offer would be initiated at this time without the consent and support of the major shareholders of the Company.

## 7.9 Conclusion

Under the share price valuation methodology, we have concluded that the value of a MKL share before the Proposed Issue is in the range of **AU\$0.042 to AU\$0.052 per share on a control basis**. In the current circumstances of MKL, we have not been able to apply any of the other appropriate valuation methodologies to assess a value of a MKL share.

## 8. Valuation of MKL shares after the Proposed Issue

The value of MKL after the Proposed Issue will comprise of its value before the Proposed Issue together with the value of the cash to be raised pursuant to the Proposed Issue. We have set out in the table below our assessment of the value of a MKL Ordinary Share after the Proposed Issue on a minority basis.

Table 14

Mighty Kingdom Limited Valuation after the Proposed Issue				
	section	formula	Low	High
Value of a MKL share before the Proposed Issue (minority basis)	7.3	a	AU\$0.035	AU\$0.040
Total MKL Ordinary Shares on issue before the Proposed Issue	2.3	b	209,696,967	209,696,967
<b>Value of MKL before the Proposed Issue (minority basis)</b>		$c = a \times b$	<b>AU\$7,339,394</b>	<b>AU\$8,387,879</b>
<b>Placement - Tranche 2</b>				
Shares to be issued if the Proposed Issue is approved	2.1	d	172,648,222	172,648,222
Issue price	2.1	e	AU\$0.035	AU\$0.035
Funds to be received if the Proposed Issue is approved		$f = d \times e$	AU\$6,042,688	AU\$6,042,688
Costs of Tranche 2 (6.0% of funds raised)	2.1	$g = f \times 6.0\%$	AU\$362,561	AU\$362,561
<b>Net funds received - Tranche 2</b>		$h = f - g$	<b>AU\$5,680,127</b>	<b>AU\$5,680,127</b>
<b>Value of MKL before the Proposed Issue (minority value)</b>		$i = c + h$	<b>AU\$13,019,521</b>	<b>AU\$14,068,006</b>
Total MKL Ordinary Shares on issue after the Proposed Issue	2.3	j	382,345,189	382,345,189
<b>Value of a MKL share after the Proposed Issue (minority basis)</b>		$k = i / j$	<b>AU\$0.034</b>	<b>AU\$0.037</b>

Source: ASX, PKF Corporate analysis

In our opinion, after completion of the Proposed Issue, the value of a MKL Ordinary Share will be in a range of say **AU\$0.034 to AU\$0.037 on a minority basis, with a mid-point of say AU\$0.036**.

## 9. Assessment as to Fairness

The Proposed Issue is “fair” if the value of the minority shares held by the Non-Associated Shareholders in MKL after the Proposed Issue is equal to or greater than the control value of the shares held by the Non-Associated Shareholders in MKL before the Proposed Issue.

In Section 7 of the IER, we assessed the value of a MKL Ordinary Share on a control basis before the Proposed Issue to be in a range of AU\$0.042 to AU\$0.052 per share, with a mid-point of AU\$0.047 per share. In Section 8 of the IER, we assessed the value of a MKL Ordinary Share on a minority basis after the Proposed Issue to be in a range of AU\$0.034 to AU\$0.037 per share, with a mid-point of say AU\$0.036 per share.

As the minority value mid-point (AU\$0.036 per share) of a MKL Ordinary share after the Proposed Issue is less than the control value mid-point (AU\$0.047 per share) of a MKL Ordinary Share before the Proposed Issue, we have concluded that the Proposed Issue is **not fair**.

## 10. Assessment as to Reasonableness

Prior to deciding whether to approve or reject the Proposed Issue, the shareholders of the Company should also consider the following significant factors:

### Advantages

- Approval of the Proposed Issue will allow MKL to deploy its cash resources towards the growth of the Company in particular to provide working capital to implement the Company’s business plan.
- If the Company’s shareholders approve the Proposed Issue, the consolidation of Gamestar Studios as a major shareholder in the Company may provide a level of market confidence as well as provide operational, strategic and financial support to the Company which may enhance its ability to execute its business plan to improve the earnings potential of the Company.

### Disadvantages

- In Section 9 of the IER, we assessed the Proposed Issue as being not fair.
- If the Company’s shareholders approve the Proposed Issue, Gamestar Studios may control up to 30.5% of the Company’s voting power, an increase from 8.85%. As a result, the stake of the Non-Associated Shareholders will be diluted from 91.15% to 69.5% and they will have reduced ability to influence the operating, financing and strategic direction of the Company.

Further, as the voting power of Gamestar Studios will increase to 30.5%, this will result in the dilution of the other major shareholders of the Company (refer to Section 6.3 of the IER), however, the combined interest of the major shareholders including Gamestar Studios will increase and, as such, these shareholders may have the capacity to have significant influence over the passing of resolutions in the Company. The extent of the change in the shareholding interest of the other major shareholders, and their combined shareholding interest, will be subject to participation, if any, in tranche 2 of the Placement.

## Other factors

- The issue price of the new MKL Ordinary Shares subject to the Proposed Issue is not at any premium or discount to tranche 1 of the Placement which completed, however, the issue price is now at a slight premium to the closing share price of an MKL share of AU\$0.033 as at 30 September 2022.
- If MKL shareholders do not approve the Proposed Issue, Gamestar Studios may be entitled to new MKL shares up to a maximum of 19.9% without seeking shareholder approval. We have set out in the table below our analysis as to the maximum amount of shares which may be issued to Gamestar Studios without the requirement for shareholder approval.

Table 15

Mighty Kingdom Limited Gamestar Studios voting power analysis		
	Current	Maximum
Number of MKL shares held by Gamestar Studios	18,553,765	47,753,765
Total MKL shares on issue	209,696,967	238,896,967
Voting power of Gamestar Studios	8.85%	19.99%

Source: PKF Corporate analysis

As can be seen from the above, if the Proposed Issue is not approved and assuming no further shares are issued under tranche 2 of the Placement, Gamestar Studios may subscribe for a maximum of approximately 29.20 million new MKL Ordinary Shares raising up to approximately AU\$1.02 million (before costs).

- If MKL shareholders do not approve the Proposed Issue, this may discourage Gamestar Studios from providing further financial support to the Company and the Company may need to seek alternative funding to support its working capital requirements. This may require extensive management focus and expense to secure, which may leave the Company without the resources to achieve its business plans. The availability of alternative funding may be on substantially less advantageous terms than the Proposed Issue and may be highly dilutive to existing shareholders in MKL.
- The net cash position of the Company is approximately AU\$2.5 million after deducting the outstanding tax liabilities of approximately AU\$1.2 million from the reported cash resources as at 30 June 2022. The Company's independent auditor's report set out in the Company's Annual Report for 2022 raised a material uncertainty in relation the Company's ability to continue as a going concern. If Shareholders do not approve the Proposed Issue, the Company may be required to manage insufficient financial resources which will not enhance its ability to meet its ongoing working capital requirements and remain solvent.

Based on the significant factors, we consider that the advantages of the Proposed Issue outweigh the disadvantages of the Proposed Issue, and for this reason, we consider that the Proposed Issue is **reasonable** for the Non-Associated Shareholders of the Company.

## 11. Assessment as to Fairness and Reasonableness

After considering the above matters, we have concluded that the Proposed Issue is **not fair but is reasonable to the Non-Associated Shareholders**.

## **12. Financial Services Guide**

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

### **12.1 PKF Corporate**

PKF Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide general financial product advice in respect of securities to retail and wholesale investors.

### **12.2 Financial Services Offered by PKF Corporate**

PKF Corporate prepares reports commissioned by a company or other entity (“Entity”). The reports prepared by PKF Corporate are provided by the Entity to its members.

All reports prepared by PKF Corporate include a description of the circumstances of the engagement and of PKF Corporate’s independence of the Entity commissioning the report and other parties to the transactions.

PKF Corporate does not accept instructions from retail investors. PKF Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. PKF Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

### **12.3 General Financial Product Advice**

In the report, PKF Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

### **12.4 Independence**

At the date of this report, none of PKF Corporate, Mr Stefan Galbo nor Mr Steven Perri have any interest in the outcome of the Proposed Issue, nor any relationship with the Company, Gamestar Studios, and associated entities or any of their directors. Fees for this report are not contingent on the outcome, content or future use of this report.

Drafts of this report were provided to and discussed with the management of the Company and its advisors. Certain changes were made to factual statements in this report as a result of the reviews of the draft reports. There were no alterations to the methodology, valuations or conclusions that have been formed by PKF Corporate.

PKF Corporate and its related entities do not have any shareholding in or other relationship with the Company that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Issue.

PKF Corporate had no part in the formulation of the Proposed Issue. Its only role has been the preparation of this report.

PKF Corporate considers itself to be independent in terms of Regulatory Guide 112 issued by ASIC on 30 March 2011.



## 12.5 Remuneration

PKF Corporate is entitled to receive a fee of approximately AU\$30,000 for the preparation of this report. With the exception of the above, PKF Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

## 12.6 Complaints Process

As the holder of an Australian Financial Services Licence, PKF Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement PKF Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

PKF Corporate is also required to have a system for handling complaints from persons to whom PKF Corporate provides financial services. All complaints should be in writing and sent to the Complaints Officer, PKF Corporate at Level 12, 440 Collins Street, Melbourne Vic 3000.

PKF Corporate will make every effort to resolve a complaint within 45 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority – GPO Box 3, Melbourne Vic 3000.

Yours faithfully

**PKF Melbourne Corporate Pty Ltd**



**Stefan Galbo**  
Director



**Steven Perri**  
Director



### Sources of Information

The key documents and sources we have relied upon in preparing the IER are:

- MKL's Annual Report for the years ended 30 June 2021 and 2022;
- MKL's draft Notice of Annual General Meeting and Explanatory Memorandum;
- Research data from publicly accessible web sites in particular ASX announcements by the Company; and
- Discussions with the management of the Company and its advisors.

## Declarations, Qualifications and Consents

### 1. Declarations

This report has been prepared at the request of the Independent Directors of Mighty Kingdom Limited to accompany the notice of meeting of shareholders to approve the Proposed Issue pursuant to Section 606 of the Corporations Act 2001. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Proposed Issue is fair and reasonable.

In the preparation of this report, we have relied upon information concerning the Proposed Issue and the Company as provided to us and available in the public domain, which we believe, on reasonable grounds, to be reliable and not misleading.

The procedures that we performed and the enquiries that we made in the course of the preparation of this report do not include verification work nor constitute an audit in accordance with Australian Auditing Standards.

The statements and opinions included in this report are given in good faith and in the belief that such statements are not false and misleading.

To the extent that this report relies on prospective information, actual results may be different from the prospective information referred to in this report since the occurrence of anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective information will be achieved.

This report has also been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 – Valuation Services.

### 2. Qualifications

Mr Stefan Galbo and Mr Steven Perri, Directors of PKF Corporate, prepared this report. They have been responsible for the preparation of expert reports and are involved in the provision of advice in respect of valuations, takeovers, capital reconstructions and reporting on all aspects thereof.

Mr Galbo is a Member of Chartered Accountants Australia and New Zealand (CAANZ) and an Accredited Business Valuation Specialist (CA BV Specialist).

Mr Perri is a Member of Chartered Accountants Australia and New Zealand (CAANZ) and an Accredited Business Valuation Specialist (CA BV Specialist).

### 3. Consent

PKF Corporate consents to the inclusion of this report in the form and context in which it is included in the Explanatory Memorandum.

## Valuation methodologies

### Share price history

The share price history valuation methodology values a company based on the past trading in its shares.

### Capitalisation of future maintainable earnings

Capitalisation of earnings is a method commonly used for valuing manufacturing and service companies and, in our experience, is the method most widely used by purchasers of such businesses. This method involves capitalising the earnings of a business at a multiple which reflects the risks of the business and its ability to earn future profits.

There are different definitions of earnings to which a multiple can be applied. The traditional method is to use net profit after tax. Another common method is to use Earnings Before Interest and Tax (EBIT) or Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). One advantage of using EBIT or EBITDA is that it enables a valuation to be determined which is independent of the financing and tax structure of the business. Different owners of the same business may have different funding strategies and these strategies should not alter the fundamental value of the business.

### Net present value of future cash flows

An analysis of the net present value of the projected cash flows of a business and/or asset (or discounted cash flow technique) is based on the premise that the value of the business and/or asset is the net present value of its future cash flows. This methodology requires an analysis of future cash flows, the capital structure, the costs of capital and an assessment of the residual value of the business and/or asset remaining at the end of the forecast period.

### Asset Based Methods

This methodology is based on the realisable value of a company's identifiable net assets. Asset based valuation methodologies include:

(a) Net assets

The net asset valuation methodology involves deriving the value of a company or business by reference to the value of its assets. This methodology is likely to be appropriate for a business whose value derives mainly from the underlying value of its assets rather than its earnings, such as property holding companies and investment businesses that periodically revalue their assets to market. The net assets on a going concern basis method estimates the market values of the net assets of a company but does not take account of realisation costs.

(b) Orderly realisation of assets

The orderly realisation of assets method estimates the fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

(c) Liquidation of assets

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a short time frame.

### Comparable market transactions

Industry specific methods estimate market values using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the market value of an asset than other valuation methods because they may not account for specific factors.

### Alternative acquirer

This methodology considers the value that an alternative bidder may be prepared to pay to acquire a business, asset or company.



ABN 39 627 145 260

## Need assistance?



**Phone:**

1300 556 161 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (ACDT) on Saturday, 26 November 2022.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number:**  
**SRN/HIN:**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark ☒ to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Mighty Kingdom Limited hereby appoint

☐ the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Mighty Kingdom Limited to be held at Mighty Kingdom Limited, Level 4, 121 King William Street, Adelaide SA 5000 on Monday, 28 November 2022 at 11:00am (ACDT) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1 and 9 to 15 (except where I/we have indicated a different voting intention in step 2) even though Items 1 and 9 to 15 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1 and 9 to 15 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Approval to issue shares to Philip Mayes, Executive Director – Listing Rule 10.11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Election of Director – Melanie Fletcher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Approval to issue shares to Megan Brownlow, Non-Executive Director – Listing Rule 10.11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Election of Director – Ian Hogg	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	Approval to issue shares to Gabriele Famous, Non-Executive Director – Listing Rule 10.11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Election of Director – David Butorac	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	Approval of Options to Ian Hogg, Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Re-election of Director – Michelle Guthrie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14	Approval of Options to David Butorac, Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Ratification of prior issue of Shares – Tranche 1 Placement – Listing Rule 7.4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15	Approval of Options to Melanie Fletcher, Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Approval to issue Shares – Tranche 2 Placement to Gamestar Studios	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16	Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Approval to issue shares – Tranche 2 Placement to sophisticated investors – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
9	Approval to issue shares to Michelle Guthrie, Non-Executive Chair – Listing Rule 10.11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare

