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**MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES  
ACN 604 677 796**

**ASX Appendix 4E  
Preliminary final report  
for the year ended 31 December 2015**

Lodged with the ASX under Listing Rule 4.3A

# MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

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## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Results for Announcement to the Market

#### Details of the reporting period and the previous corresponding period

Reporting Period: Year Ended 31 December 2015  
Previous Corresponding Period: Year Ended 31 December 2014

#### Results for announcement to the market

	12 Months 31 Dec 2015 \$000's	12 Months 31 Dec 2014 \$000's	Up/ Down	Change \$000's	Change %
<b>Revenue</b> from ordinary activities	20,568	10,699	Up	9,869	92.2%
<b>Profit</b> from ordinary activities after tax attributable to members	2,589	3,798	Down	(1,209)	(31.8%)
<b>Profit</b> for the period attributable to members	2,589	3,798	Down	(1,209)	(31.8%)

#### Dividend information

The Group is not proposing to pay dividends. There are no dividend or distribution reinvestment plans in operation. The distribution of an extraordinary dividend against 2014 results amounting to €2.1 million (\$2.9 million) was approved in a Mitula Classified, SL shareholders meeting dated 2 February 2015. This dividend was approved and paid prior to the capital reorganisation which resulted in Mitula Group Limited becoming the owner of 100% of the issued share capital of Mitula Classified, SL.

#### Review of results

Refer to the Operating and Financial Review.

#### Other information required by Listing Rule 4.3A

The remainder of the information requiring disclosure to comply with Listing Rule 4.3A is contained in the attached additional information.

#### Net tangible assets per ordinary security

	31 Dec 2015	31 Dec 2014
Net tangible assets (\$)	21,961,830	5,515,037
Net assets (\$)	32,732,256	5,515,037
Issued share capital at reporting date (\$)	27,230,212	5,121
Number of shares on issue at reporting date	208,737,689	171,800,000 <sup>1</sup>
Net tangible assets per ordinary security (cents per share)	10.5	3.2
Net assets per ordinary security (cents per share)	15.7	3.2

<sup>1</sup> Shares at 31/12/2014 were 3,436. Mitula Classified, SL performed a share split on 24 March 2015 of 1 to 100, and as a result of the capital reorganisation on 17 April 2015 there was a split of 1 to 500 (see note 19 of the Notes to the Preliminary Financial Statements).

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Additional Information

#### Other significant information

1. Mitula Group Limited (formerly known as Vertical Search Co. Ltd) was incorporated as a public company limited by shares on 11 March 2015. On 17 April 2015, as a result of a capital reorganization, the Company became the owner of 100% of the issued share capital of Mitula Classified, SL (a company incorporated in Spain). The Group determined that the capital reorganization of Mitula Classified, SL did not represent a business combination as defined by AASB 3 *Business Combinations*. This is because the reorganization is considered to be a combination of entities under common control which is outside the scope of AASB 3. As such, the preliminary consolidated financial statements reflect the continuation of Mitula Classified, SL financial statements. Accordingly, the results shown are for the year ended 31 December 2015 including those results of Mitula Classified, SL. Similarly the comparative results for the year ended 31 December 2014 represent the operations of Mitula Classified, SL.
2. During the period the Group registered a total cost of \$5.1 million in relation to the IPO. The Group recorded \$3.8 million of these costs as an expense in accordance with AASB132.
3. For explanation of the figures reported above or other item(s) of importance not previously released to the market, please refer to the attached Preliminary Financial Statements for explanations.

#### Controlled entities acquired

On 8 May 2015, the Group acquired 100% of the issued capital of Lokku Limited. Lokku owns and operate a network of 13 real estate vertical search websites in 9 countries. These websites operate under the 'Nestoria', 'FindProperly', 'Bilatu', and 'Gartoo' brands.

Profit contribution of the Lokku Group is \$2.1 million from the date of acquisition by the Mitula Group (8 months), estimation of profit of Lokku business for year ended 31 December 2014 is \$1.1 million (unaudited figures).

#### Audit

This report is based on the Consolidated Financial Statements for the year ended 31 December 2015 which are in the process of being audited by the Company's auditors, PricewaterhouseCoopers. The audit report will be made available with the Company's financial report as part of the Company's Annual Report which is still be completed and will be released during March 2016.



**Simon Baker**  
Chairman

Dated this 29 February 2016

# MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

## Operating and Financial Review

### Principal activities

The Mitula Group is a leading 'vertical search' website operator, with a current portfolio of 57 websites in 44 countries and in 18 languages. Following the acquisition of Lokku Limited in May 2015, the Mitula Group operates its websites under two main brands, 'Mitula' and 'Nestoria'.

The Mitula Group's vertical search functionality gives its website users the ability to search across listings from multiple verticals, being real estate, automotive, employment, and, in some countries holiday rentals, and obtain search results from multiple advertisers with one search query. With access to the search results of multiple advertisers, users are offered a more convenient and efficient search experience than performing a search on a single advertiser's website.

The Mitula Group generates revenue through two main sources, Direct Cost per Click Revenue (CPC) generated from the sale of approximately 60% of the "Clicks Out", and revenue from Google AdSense advertisements. A Click Out occurs when a user clicks on a listing on a website and is redirected to the advertiser's website, where the listing is hosted.

### Non-IFRS financial information

Through this report the Group has included certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. The Group uses these measures to assess performance of the business and believes that this information would be useful for investors.

- Adjusted Operating Expenses: total operating expenses less one off costs associated with IPO and Lokku Limited acquisition
- EBITDA: earnings before interest, tax and depreciation and amortisation
- Adjusted EBITDA: EBITDA plus add back of one off costs associated with IPO and Lokku Limited acquisition
- EBT: Earnings before taxes, equivalent to Profit Before Tax
- NPAT: Net profit after tax, equivalent to Profit After Tax
- Adjusted Operating Cash Flow: Net cash flow from operating activities adjusting Payment for IPO transaction costs – Income statement, cost associated acquisition of subsidiary, Income tax paid and interest received.

### Review of operations

<b>\$' 000</b>	<b>12 Months to 31 Dec 2015</b>	<b>12 Months to 31 Dec 2014</b>	<b>Growth</b>
Revenues	20,568	10,699	92.2%
- AMERICAS	6,754	3,845	75.6%
- APAC	4,872	1,388	251.0%
- EMEA	8,942	5,466	63.6%
Adjusted Operating Expenses	(11,025)	(5,356)	105.8%
<b>Adjusted EBITDA<sup>2</sup></b>	<b>9,543</b>	<b>5,343</b>	<b>78.6%</b>
<i>Adjusted EBITDA Margin</i>	<i>46.4%</i>	<i>49.9%</i>	
Adjusted Operating Cash Flow	8,797	4,941	78.0%%
Cash Balance (end of period)	21,003	4,197	400.4%

<sup>2</sup> Management believe additional information to IFRS by including EBITDA is useful in measuring the performance of the Group. See below reconciliation statements to Adjusted EBITDA and Adjusted Operational Expense.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Operating and Financial Review

- Reconciliation to Adjusted EBITDA:

\$' 000	12 Months to 31 Dec 2015	12 Months to 31 Dec 2014
<b>Profit Before Tax</b>	<b>4,387</b>	<b>5,300</b>
Depreciation & Amortisation	1,103	147
Net Finance Income / (Expense)	1,772	(25)
Net Foreign Exchange Gains / (Losses)	283	(79)
<b>EBITDA</b>	<b>7,545</b>	<b>5,343</b>
IPO Expense (Non Financial) (Note 7)	1,246	-
IPO Expense (Share Based Payments) (Note 7)	574	-
Lokku Acquisition Expenses (Note 17)	178	-
<b>Adjusted EBITDA</b>	<b>9,543</b>	<b>5,343</b>

- Reconciliation of Adjusted Operating Expense:

\$' 000	12 Months to 31 Dec 2015	12 Months to 31 Dec 2014
Cost of Sales	(2,511)	(1,165)
Human Resources Expenses	(5,220)	(1,829)
Operational Expenses	(1,171)	(1,558)
Technology Expenses	(823)	(424)
Office Expenses	(672)	(337)
Corporate Expenses	(2,627)	(43)
Rounding	1	-
<b>Operating Expenses</b>	<b>(13,023)</b>	<b>(5,356)</b>
IPO Expense (Non Financial) (Note 7)	1,246	-
IPO Expense (Share Based Payments) (Note 7)	574	-
Lokku Acquisition Expenses (Note 17)	178	-
<b>Adjusted Operating Expenses</b>	<b>(11,025)</b>	<b>(5,356)</b>

Group revenues increased by 92.2% over the previous year driven by strong growth across all regions and the contribution of Lokku (\$3.95 million). Of particular note was the strong growth from the Asia Pacific (APAC) region where revenues increased by 251.0% year on year.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Operating and Financial Review

Adjusted operating expenses increased by 105.8% year on year primarily due to the increase in human resources costs driven by business growth, the move to a new office in Madrid, and costs associated with the integration of Lokku Limited.

Adjusted EBITDA increased by 78.6% year on year from \$5.3 million to \$9.5 million.

Adjusted operating cash flow increased by 78% from \$4.9 million to \$8.8 million with the Group having an end of year cash balance of \$21.0 million.

### Reconciliation from Statutory to Pro Forma results

Effective 1 July 2015, Mitula Group Limited (the Company) and its controlled entities (collectively referred to as the Mitula Group) successfully finalised its initial public offering and began trading on the ASX. In its June 2015 Prospectus, the Company presented two Pro Forma forecasts – one for the 12-months ended 31 December 2015 (CY15) and one for the 12-months ended 30 June 2016 (FY16). These Pro Forma forecasts were to reflect the operating and capital structure following the IPO as if it were in place for the full period. This includes reflecting the impact of historical acquisitions to eliminate certain non-recurring items and to reflect public company cost on the full period presented.

The following table shows a reconciliation of statutory results and the Pro Forma results for the 12 months ended 31 December 2015 (CY15):

\$'000	Statutory Results CY15	Proforma Adjustments				Proforma Results CY15
		Adj.1	Adj. 2	Adj.3	Adj.4	
Revenue	20,568	1,969	-	-	-	22,537
Cost of Sales	(2,511)	(228)	-	-	-	(2,739)
<b>Gross Profit</b>	<b>18,057</b>	<b>1,741</b>	-	-	-	<b>19,798</b>
<i>% Gross Margin</i>	<i>87.8%</i>	<i>88.4%</i>	-	-	-	<i>87.8%</i>
Operating Expenses	(10,512)	(1,216)	1,998	320	(46)	(9,456)
<b>EBITDA</b>	<b>7,545</b>	<b>525</b>	<b>1,998</b>	<b>320</b>	<b>(46)</b>	<b>10,342</b>
<i>% EBITDA Margin</i>	<i>36.7%</i>	<i>26.6%</i>	-	-	-	<i>45.9%</i>
Depreciation and Amortisation	(1,103)	(9)	848	-	-	(264)
<b>EBIT</b>	<b>6,442</b>	<b>516</b>	<b>2,846</b>	<b>320</b>	<b>(46)</b>	<b>10,078</b>
Net Finance Income / (Expense)	(2,055)	47	1,950	-	-	(58)
<b>Profit Before Tax</b>	<b>4,387</b>	<b>563</b>	<b>4,796</b>	<b>320</b>	<b>(46)</b>	<b>10,020</b>
Tax Expense	(1,798)	13	(254)	-	-	(2,039)
<b>NPAT</b>	<b>2,589</b>	<b>576</b>	<b>4,542</b>	<b>320</b>	<b>(46)</b>	<b>7,981</b>

Adj. 1. Inclusion of first four months of Lokku Limited prior to acquisition and statutory consolidation.

Adj. 2. Removal of expenses of the IPO process and Lokku acquisition.

Adj. 3. Removal of non-recurring expenses before listing.

Adj. 4. Incorporation of listed Group expenses for the full financial year.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Operating and Financial Review

#### Comparison of Pro Forma CY15 Results with Pro Forma Prospectus Forecast

	Pro Forma Results CY15 \$000's	Pro Forma Forecast CY15 \$000's	Variation \$000's	Variation %
Revenue	22,537	22,705	(168)	(0.7%)
Cost of Sales	(2,739)	(3,033)	294	9.7%
<b>Gross Profit</b>	<b>19,798</b>	<b>19,672</b>	<b>126</b>	<b>0.6%</b>
<i>%Gross Margin</i>	87.8%	86.6%		
Operating Expenses	(9,456)	(9,250)	(206)	(2.2%)
<b>EBITDA</b>	<b>10,342</b>	<b>10,422</b>	<b>(80)</b>	<b>(0.8%)</b>
<i>%EBITDA Margin</i>	45.9%	45.9%		
Depreciation and Amortisation	(264)	(213)	(51)	(23.9%)
<b>EBIT</b>	<b>10,078</b>	<b>10,209</b>	<b>(131)</b>	<b>(1.3%)</b>
Net Finance Income / (Expense)	(58)	272	(330)	(121.3%)
<b>Profit Before Tax</b>	<b>10,020</b>	<b>10,481</b>	<b>(461)</b>	<b>(4.4%)</b>
Tax Expense	(2,039)	(2,730)	691	25.3%
<b>NPAT</b>	<b>7,981</b>	<b>7,751</b>	<b>230</b>	<b>3.0%</b>

#### Risk

- Reliance on the Google Ad Network, whereby adverse changes to existing revenue sharing arrangements could affect the Group's existing revenues. This risk is managed through a close relationship with Google and continuous monitoring of likely outcomes.
- Reliance on Google for visitation to the Group's websites could be impacted with changes to search engine algorithms. To manage this risk, management conducts regular reviews and has access to global SEO experts to formulate strategy, including identification of alternate providers.
- Lack of website availability or technical infrastructure interruption. As an online business, the availability of the Group's websites, applications and systems is essential to business success. To manage the risk of any outage, the Group has developed and implemented disaster recovery strategies, and business continuity plans. The Group also had developed internal tools and procedures for monitoring its websites.
- The Group is actively assessing expansion opportunities through acquisition. Potential investments may carry execution and integration risks. To assist managing this risk potential investments are assessed via a screening process, after which due diligence is carried out including a high technical element.
- As a global business operating in multiple currencies, the Group is exposed to foreign currency exchange risks. The Group maintains primary currency cash balances in Euro, GBP and USD. Risk is managed through diversification in these primary currencies and through adherence to its cash management and treasury policy.
- The Group has implemented key advertising account management strategies, with ongoing review procedures, to reduce the risk of loss or reduction of revenues from key advertisers in certain countries where the risk is identified.



## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Preliminary Consolidated Income Statement For the year ended 31 December 2015

	Notes	12 Months to 31 December 2015 \$	12 Months to 31 December 2014 \$
Revenue		20,568,035	10,698,854
Cost of sales		(2,510,673)	(1,165,482)
<b>Gross profit</b>		<b>18,057,362</b>	<b>9,533,372</b>
Human resources expenses	7	(5,219,567)	(1,828,584)
Operational expenses		(1,170,560)	(1,558,116)
Technology expenses		(823,066)	(423,900)
Office expenses		(671,866)	(337,171)
Corporate expenses		(2,627,314)	(42,878)
Depreciation and amortisation	7	(1,103,498)	(147,308)
Net finance income / (expense)	7	(1,771,912)	25,373
Net foreign exchange gains/(losses)		(283,018)	79,313
<b>Profit before tax</b>		<b>4,386,561</b>	<b>5,300,101</b>
Income tax	8	(1,797,938)	(1,502,190)
<b>Profit for the year</b>		<b>2,588,623</b>	<b>3,797,911</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	23	1.37	2.21
Diluted earnings per share	23	1.36	2.21

*The above Preliminary Consolidated Income Statement should be read in conjunction with the accompanying notes.*

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Preliminary Consolidated Statement of Comprehensive Income For the year ended 31 December 2015

	Notes	31 December 2015 \$	31 December 2014 \$
<b>Profit for the year</b>		<b>2,588,623</b>	<b>3,797,911</b>
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		200,247	(86,551)
Income tax relating to items		(60,074)	25,965
<b>Other comprehensive income for the period, net of tax</b>		<b>140,173</b>	<b>(60,586)</b>
<b>Total comprehensive income for the period</b>		<b>2,728,796</b>	<b>3,737,325</b>
Total comprehensive income attributable to owners		2,728,796	3,737,325

*The above Preliminary Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Preliminary Consolidated Balance Sheet As at 31 December 2015

	Notes	31 December 2015 \$	31 December 2014 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	21,002,933	4,197,373
Trade and other receivables	10	3,884,700	2,513,051
Financial assets at fair value through profit or loss	11	-	380,043
Current tax assets		2,142	-
Other current assets		77,650	-
<b>Total current assets</b>		<b>24,967,425</b>	<b>7,090,467</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	729,026	252,704
Goodwill	13, 17	5,086,057	-
Other intangible assets	13, 17	5,684,369	-
Investments		1,462	3,557
Other non-current financial assets	14	165,064	-
Deferred income tax asset	16	4,409	-
<b>Total non-current assets</b>		<b>11,670,387</b>	<b>256,261</b>
<b>Total assets</b>		<b>36,637,812</b>	<b>7,346,728</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	15	1,527,318	413,184
Current tax liabilities		692,597	1,348,540
<b>Total current liabilities</b>		<b>2,219,915</b>	<b>1,761,724</b>
<b>Non-current liabilities</b>			
Other liabilities		17	-
Deferred tax liability	16	1,685,624	69,967
<b>Total non-current liabilities</b>		<b>1,685,641</b>	<b>69,967</b>
<b>Total liabilities</b>		<b>3,905,556</b>	<b>1,831,691</b>
<b>Net assets</b>		<b>32,732,256</b>	<b>5,515,037</b>
<b>EQUITY</b>			
Contributed equity	19	27,230,212	5,121
Other reserves	20	5,314,269	5,462,314
Foreign currency translation reserve		187,775	47,602
<b>Total equity</b>		<b>32,732,256</b>	<b>5,515,037</b>

*The above Preliminary Consolidated Balance Sheet should be read in conjunction with the accompanying notes.*

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Preliminary Consolidated Statement of Changes in Equity For the year ended 31 December 2015

Consolidated entity	Notes	Contributed equity \$	Reserves \$	Foreign currency translation reserves \$	Total equity \$
<b>Balance at 1 January 2014</b>		<b>5,121</b>	<b>2,652,457</b>	<b>109,273</b>	<b>2,766,851</b>
Profit for the period		-	3,797,911	-	3,797,911
Other comprehensive income		-	1,085	(61,671)	(60,586)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>3,798,996</b>	<b>(61,671)</b>	<b>3,737,325</b>
<b>Transactions with owners in their capacity as owners:</b>					
Share based payments		-	79,957	-	79,957
Dividends	22	-	(1,069,096)	-	(1,069,096)
<b>Balance at 31 December 2014</b>		<b>5,121</b>	<b>5,462,314</b>	<b>47,602</b>	<b>5,515,037</b>
<b>Balance at 1 January 2015</b>		<b>5,121</b>	<b>5,462,314</b>	<b>47,602</b>	<b>5,515,037</b>
Profit for the period		-	2,588,623	-	2,588,623
Other comprehensive income		-	-	140,173	140,173
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>2,588,623</b>	<b>140,173</b>	<b>2,728,796</b>
<b>Transactions with owners in their capacity as owners:</b>					
Capital reorganization	19	(5,121)	(420,462)	-	(425,583)
Issue of new shares	19	28,553,247	-	-	28,553,247
Share issue transaction costs	19	(1,323,035)	-	-	(1,323,035)
Dividends	22	-	(2,896,072)	-	(2,896,072)
Share based payments	21	-	574,000	-	574,000
Other movements in equity		-	5,866	-	5,866
<b>Balance at 31 December 2015</b>		<b>27,230,212</b>	<b>5,314,269</b>	<b>187,775</b>	<b>32,732,256</b>

*The above Preliminary Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Preliminary Consolidated Statement of Cash Flows For the year ended 31 December 2015

	Notes	31 December 2015 \$	31 December 2014 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and service tax)		20,352,336	10,409,510
Payments to suppliers and employees (inclusive of goods and service tax)		(11,555,775)	(5,468,946)
		8,796,561	4,940,564
Payment for IPO transaction costs – Income statement		(1,246,449)	-
Cost associated acquisition of subsidiary		(177,939)	-
Income tax paid		(2,672,352)	(449,247)
Interest received		178,088	14,058
<b>Net cash flows from operating activities</b>		<b>4,877,909</b>	<b>4,505,375</b>
<b>Cash flows from investing activities</b>			
Payment for acquisition of subsidiary, net of cash acquired	17	(8,894,059)	-
Payments for other financial assets	14	(165,064)	-
Payments for property, plant and equipment	12	(653,848)	(158,882)
Payments for other intangibles	13	(108,605)	-
Repayment of loans by related parties	27	521,673	(521,673)
Proceeds from sale of available-for-sale financial assets	11	380,043	-
<b>Net cash flows from investing activities</b>		<b>(8,919,860)</b>	<b>(680,555)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares and other equity securities	19	25,066,618	-
Payment for IPO transaction costs - Equity	19	(1,323,035)	-
Dividends paid	22	(2,896,072)	(1,069,096)
<b>Net cash flows from financing activities</b>		<b>20,847,511</b>	<b>(1,069,096)</b>
<b>Net increase in cash and cash equivalents</b>		<b>16,805,560</b>	<b>2,755,724</b>
Cash and cash equivalents at the beginning of the financial year	9	4,197,373	1,441,649
Cash and cash equivalents at end of the financial year	9	<b>21,002,933</b>	<b>4,197,373</b>

The above Preliminary Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

## Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

### 1. Basis of preparation

These preliminary consolidated financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Mitula Group Limited is a for-profit entity for the purpose of preparing the financial statements.

#### (i) Compliance with IFRS

The preliminary consolidated financial statements of the Mitula Group Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### (ii) Historical cost convention

These preliminary consolidated financial statements have been prepared under the historical cost convention except for, financial instruments measured at fair value through profit or loss.

#### (iii) Critical accounting estimates

The preparation of the preliminary consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the preliminary consolidated financial statements, are disclosed in note 3.

#### (iv) Comparative financial information

Mitula Group Limited (formerly known as Vertical Search Co. Ltd) was incorporated as a public company limited by shares on 11 March 2015. On 17 April 2015, as a result of a capital reorganization, the Company became the owner of 100% of the issued share capital of Mitula Classified, SL (a company incorporated in Spain). The Group determined that the capital reorganization of Mitula Classified, SL did not represent a business combination as defined by AASB 3 *Business Combinations*. This is because the reorganization is considered to be a combination of entities under common control which is outside the scope of AASB 3. As such, the preliminary consolidated financial statements reflect the continuation of Mitula Classified, SL financial statements. Accordingly, the results shown are for the year ended 31 December 2015 including those results of Mitula Classified, SL. Similarly the comparative results for the year ended 31 December 2014 represent the operations of Mitula Classified, SL.

#### 1.1. Impact of standards issued but not yet applied by the entity

Certain new accounting standards and interpretations have been published that are not mandatory for year ended 31 December 2015 and have not yet been applied in the preliminary consolidated financial statements:

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

Title of Standard	Summary and impact on Group's financial statements	Application date of the standard	Application date for Group for financial year ending
AASB 9 Financial Instruments	<p>AASB 9 Financial Instruments replaces AASB 139 and addresses and classification, measurement and derecognition of financial assets and liabilities. It also addresses the new hedge accounting requirements, including changes to hedge effectiveness, treatment of hedging costs and risk components that can be hedged.</p> <p>AASB 9 introduces a new expected loss model impairment model that will require entities to account for expected credit losses at the time of recognising the asset. The Group does not expect the adoption of the new standard to have a material impact on its classification and measurement of the financial assets and liabilities or its results on adoption of the new impairment model.</p> <p>The new standard will result in extended disclosures in the financial statements. The Group has decided not to early adopt AASB 9.</p>	1 January 2018	30 June 2019
AASB 15 Revenue from Contracts with Customers	<p>AASB 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:</p> <ol style="list-style-type: none"> <li>1. identify contracts with customers</li> <li>2. identify the separate performance obligations</li> <li>3. determine the transaction price of the contract</li> <li>4. allocate the transaction price to each of the separate performance obligations, and</li> <li>5. recognise the revenue as each performance obligation is satisfied.</li> </ol> <p>Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. The Group is assessing the impact of the new standard on its revenue recognition policy.</p>	1 January 2018	30 June 2019

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these preliminary consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The preliminary consolidated financial statements are for the consolidated entity consisting of Mitula Group Limited and its subsidiaries.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### a. Principles of consolidation

##### i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### b. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker has been identified as the CEO that makes strategic decisions. The business is being monitored on an operating gross margin (revenues less cost of sales) basis distinguishing by geography (EMEA, AMERICAS and APAC). Given the nature of the services rendered by the Group, consisting of rendering vertical search engine for classifieds in internet services, it is not possible to separate assets and liabilities by client nor allocate operating or financial results and taxes, following this criteria.

#### c. Foreign currency translation

##### i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity is established ('the functional currency'). The Group operates in several functional currencies, mainly Euro. The preliminary consolidated financial statements have been presented in Australian dollars, which is the Company's presentation and functional currency.

##### ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.



## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

#### *iii.* Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

#### *d.* Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds.

#### *i.* Dividend distributions

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### *e.* Earnings per share

##### *i.* Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

##### *ii.* Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### f. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The main sources of the Group's revenue are:

- CPC (cost-per-click): Most of the customers pay on a cost-per-click basis, which means that an advertiser (customer) pays to the Group only when a user clicks on one of its ads. The Group recognizes as revenue the fees charged to advertisers each time a user clicks on one of the ads that appears next to the search results or content on the Group's websites.
- Revenue derived from the traffic operations in the Google AdSense program, a web advertising platform, in which Mitula is a Search Partner. Google pays to Mitula on a cost-per-click basis. The Group recognizes as revenue the fees paid to it by Google based on the volume of clicks through to Google AdSense advertisements.

#### g. Other operating expenses

Other operating expenses includes the expenses associated with the operation of the data centre, including, labour, energy and other transaction fees related to processing customer transactions.

#### h. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the preliminary consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability on a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### i. Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

#### j. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquired asset is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the profit or loss.

#### k. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### l. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### m. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

#### n. Investment and other financial assets

##### i. Classification

The Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

#### *ii.* Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

#### *iii.* Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for 'financial assets at fair value through profit or loss' – in profit or loss within other income or other expenses
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security are recognised in profit or loss and other changes in the carrying amount are recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income

Interest income from financial assets at fair value through profit or loss is included in the net gains/(losses). Interest on available-for-sale securities, held-to-maturity investments and loans and receivables calculated using the effective interest method is recognised in the statement of profit or loss as part of revenue from continuing operations.

#### *iv.* Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### *Assets carried at amortised cost*

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

#### v. Income recognition

##### *Interest income*

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

##### *Dividends*

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

#### o. Property, plant and equipment

Property, plant and equipment is recognised at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred

The depreciation methods and periods used by the Group are disclosed as follow:

<b>Item</b>	<b>Useful life</b>
Fittings	3 - 4 years
Equipment	3 - 4 years
Furniture and others	10 years

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

p. Intangible assets

i. Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not depreciated but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

ii. Computer Software and website development

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

These costs are amortised over their estimated useful lives of 3 years.

Cost incurred in acquiring new websites are recognised as intangibles assets only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Website developments have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using a straight-line method to allocate the cost of website developments over their estimated useful life, which is five years.

iii. Trademarks and licenses

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated depreciation and impairment losses.

Depreciation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 5 years. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are depreciated over their estimated useful lives of 5 years.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### iv. Customer relationships

Acquired customer relationships have a finite useful life and are carried at fair value at acquisition date less accumulated amortization and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the asset over its estimated useful life, which is five years.

#### q. Trade and other payable

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### r. Provisions

Provisions for professional and legal services obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### s. Employee benefits

##### i. Short-terms obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### ii. Share-based payments

Share-based compensation benefits are provided to employees via the Mitula Employee Option Plan. The fair value of options granted under the Mitula Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.



## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (i) *Estimated impairment of goodwill*

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units (CGUs) are determined based on value-in-use calculations. These calculations require the use of assumptions for each CGU.

#### (ii) *Income taxes*

The Group is subject to income taxes (and other similar taxes) in Australia and in a number of overseas jurisdictions. Judgement is required in determining the Group provision for income taxes.

There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

### 4. Financial risk management and financial instruments

#### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk.

#### 4.2 Foreign exchange risk

The Group operates globally in multiple currencies and is exposed to foreign exchange risk, primarily with respect to the Euro, US Dollar, Australian Dollar, GBP, Indian Rupees and Brazil Real. The Group does not use derivatives to hedge this risk. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

#### *Exposure*

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

	31 December 2015					
	EUR \$	USD \$	GBP \$	BRL \$	INR \$	SGD \$
Trade receivables	1,560,598	731,135	343,612	192,012	651,122	-
Cash & cash equivalents	4,701,648	975,665	911,366	251,962	32,398	57,264
Trade payables	(756,639)	-	(39,764)	(36,070)	(33,036)	(933)
	<b>5,505,607</b>	<b>1,706,800</b>	<b>1,215,214</b>	<b>407,904</b>	<b>650,484</b>	<b>56,331</b>

	31 December 2014			
	EUR \$	USD \$	GBP \$	BRL \$
Trade receivables	1,076,827	502,183	50,601	54,658
Cash & cash equivalents	3,433,954	598,089	58,692	-
Trade payables	(269,181)	-	-	-
	<b>4,241,600</b>	<b>1,100,272</b>	<b>109,293</b>	<b>54,658</b>

#### Sensitivity

As shown in the table above, the Group is primarily exposed to changes in EUR/\$ exchange rates. The sensitivity of profit or loss to changes in the exchange rates is shown below:

	Impact on post tax profit		Impact on other components of equity	
	31 December 2015 \$	31 December 2014 \$	31 December 2015 \$	31 December 2014 \$
EUR/\$ exchange rate – increase 10%*	612,983	601,682	612,983	601,682
EUR/\$ exchange rate – decrease 10%*	(612,983)	(601,682)	(612,983)	(601,682)

\* Holding all other variables constant

#### 4.3 Credit risk

Credit risk is managed by the management. Credit risk derives mainly from cash and cash equivalents, bank and financial institution deposits and trade receivables.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment.

The Group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 6 months overdue).

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses. See note 10(b) for disclosure analysis of impaired trade receivables.

In relation to banks and financial institutions, the Group operates with prestigious institutions, taking into consideration the ratings assigned independently when they are available.

#### 4.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group presents a positive working capital of \$22.75 million.

Management monitors rolling forecasts of the Group's liquidity and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates.

##### *Contractual maturities of financial liabilities*

	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contrac- tual cash flows	Carrying amount (assets)/ liabilities
	\$	\$	\$	\$	\$	\$	\$
<b>At 31 December 2015</b>							
Trade payables	1,275,182	-	-	-	-	1,275,182	1,275,182
	<b>1,275,182</b>	-	-	-	-	<b>1,275,182</b>	<b>1,275,182</b>
<b>At 31 December 2014</b>							
Trade payables	273,870	-	-	-	-	273,870	273,870
	<b>273,870</b>	-	-	-	-	<b>273,870</b>	<b>273,870</b>

#### 4.5 Fair value estimations

The Group generally uses, when available, market rates to determine the fair value price, and that data is classified as Level 1. If these rates are not available, the fair value is estimated using a standard valuation model. When applicable, these models project cash flows and discount the future amounts using observable data at its present value; including interest rates, exchange rates, volatility, etc. The items evaluated using the previous data are classified in accordance with the lowest level of the data that is significant for the valuation. Therefore, an item could be classified as Level 3 even though some of its significant data are observable.

During the period there was no transfer between levels 1 and 2 or 2 and 3. The Group does not have level 3 financial assets or liabilities.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

The table below analyses financial instruments carried at fair value, by valuation method.

	31 December 2015	31 December 2014
	\$	\$
<b>Financial assets at fair value through profit or loss</b>		
- Level 1	-	380,043
- Level 2	-	-
- Level 3	-	-
	<b>-</b>	<b>380,043</b>

## 5. Subsidiaries

At period end, the entities that constituted the Group are as follows:

Company name	Place of Business or Country of Incorporation	% Ownership interest held by the Group	Activity
Mitula Classified SL #	Spain	100%	Vertical search website operator
Lokku Limited	U.K.	100%	Vertical search website operator
Mitula Group Pte Ltd	Singapore	100%	Vertical search website operator
Mitula Classified China Limited #	Hong Kong	100%	Without activity
Nestoria UK Limited	U.K.	100%	Without activity
Nestoria Australia Limited	U.K.	100%	Vertical search website operator
Nestoria Spain SL	Spain	100%	Vertical search website operator
Nestoria Brasil Buscador de Imoveris Ltda	Brazil	100%	Vertical search website operator
Nestoria India Property Search Services Private Limited	India	83% (*)	Vertical search website operator

(\*) As of 31 December 2015 the Group has a minority shareholder in Nestoria India due to legal requirements of the country where the subsidiary operates. This stake has not been considered in the preparation of the preliminary consolidated financial statements of the Group, as the impact of it is non-significant (profit for year ended 31 December 2015 for minority shareholders adds to \$4,000). During January 2016 Lokku Limited acquired the remaining 17% of the shares of Nestoria India that was held by minority shareholder.

# These entities were 100% owned by the Group as at 31 December 2014. The remaining entities were either acquired or incorporated during 2015.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### 6. Segment information

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenue and incur expenses that relate to transactions with the consolidated entity's other components.

The operating segment results are regularly reviewed by the Chief Executive Officer who provides strategic decision and management oversight of the day to day activities in terms of monitoring results, providing approval for capital expenditure and approving strategic planning for the business.

##### (a) Description of segments

The Group's revenue is reported in three geographic segments: Americas, APAC and EMEA. The segments comprise of the following countries of operation:

- **Americas** – comprising: Argentina, Brazil, Canada, Chile, Colombia, Ecuador, Mexico, Peru, USA and Venezuela.
- **APAC** – comprising: Australia, China, Hong Kong, Indonesia, India, Malaysia, New Zealand, Pakistan, Philippines and Singapore.
- **EMEA** – comprising: Austria, Belgium, France, Germany, Ireland, Italy, Morocco, Netherlands, Poland, Portugal, Romania, Russia, South Africa, Spain, Switzerland, Turkey, United Kingdom and UAE.

##### (b) Segment information provided to senior management

The segment information provided to senior management for the reportable segments for the year ended 31 December 2015 is as follows:

<b>Consolidated entity</b>	<b>AMERICAS</b>	<b>APAC</b>	<b>EMEA</b>	<b>Total</b>
<b>Year ended 31 December 2015</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenue	6,753,875	4,872,443	8,941,717	20,568,035
Cost of sales	(849,509)	(545,105)	(1,116,059)	(2,510,673)
<b>Gross profit</b>	<b>5,904,366</b>	<b>4,327,338</b>	<b>7,825,658</b>	<b>18,057,362</b>
<b>Gross profit percentage</b>	<b>87%</b>	<b>89%</b>	<b>88%</b>	<b>88%</b>

The segment information provided to senior management for the reportable segments for the year ended 31 December 2014 is as follows:

<b>Consolidated entity</b>	<b>AMERICAS</b>	<b>APAC</b>	<b>EMEA</b>	<b>Total</b>
<b>Year ended 31 December 2014</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenue	3,845,168	1,387,641	5,466,045	10,698,854
Cost of sales	(402,091)	(131,699)	(631,692)	(1,165,482)
<b>Gross profit</b>	<b>3,443,077</b>	<b>1,255,942</b>	<b>4,834,353</b>	<b>9,533,372</b>
<b>Gross profit percentage</b>	<b>90%</b>	<b>91%</b>	<b>88%</b>	<b>89%</b>

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### (c) Other segment information

##### (i) *Segment revenue*

There are no sales between segments. The revenue from external parties reported to senior management is measured in a manner consistent with that in the consolidated income statement.

##### (ii) *Management Gross Profit*

The senior management assesses the performance of the operating segments based on a measure of gross profit.

##### (iii) *Segment assets*

Assets are not reported to the chief operating decision maker by segment. All assets are assessed at a consolidated entity level.

##### (iv) *Segment liabilities*

Liabilities are not reported to the chief operating decision maker by segment. All liabilities are assessed at a consolidated entity level.

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## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### 7. Expenses

	Note	31 December 2015 \$	31 December 2014 \$
<b>Profit before income tax includes the following specific expenses:</b>			
<i>Human resources</i>			
Salary costs		4,645,567	1,748,627
IPO expenses - Share-based payments	7 a), 21	574,000	79,957
<b>Total Human Resources Expense</b>		<b>5,219,567</b>	<b>1,828,584</b>
<i>Depreciation and amortisation</i>			
Depreciation of property, plant and equipment	12	222,114	147,308
Amortisation of other intangibles	13	881,384	-
<b>Total Depreciation and Amortisation Expense</b>		<b>1,103,498</b>	<b>147,308</b>
<i>Finance cost</i>			
Interest income on bank balances		(171,403)	(5,229)
Interest income financial assets at fair value	11	(1,454)	(7,022)
Interest income on loans to related parties	27	(5,231)	(13,122)
Interest on convertible shares	7 a), 19	1,950,000	-
<b>Total Finance Cost / (Income)</b>		<b>1,771,912</b>	<b>(25,373)</b>
<i>Significant operating expenses</i>			
Minimum lease payments under non-cancellable operating leases		384,456	-
<b>Total significant operating expenses</b>		<b>384,456</b>	<b>-</b>
<i>Significant other expenses</i>			
IPO expenses	7 a)	1,246,449	-
Net foreign exchange loss / (income)		283,018	(79,313)
<b>Total significant other expenses</b>		<b>1,529,467</b>	<b>(79,313)</b>

#### a) IPO cost

The Group was admitted to the official list of the ASX on 1 July 2015 following an IPO where a total of 33,160,000 new shares were issued (see note 20). Also, existing shareholders prior to the IPO sold a total of 16,000,000 shares of their stake in the Group.

During the year ended 31 December 2015 the Group registered a total cost of \$5.1 million in relation to the IPO.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

The breakdown of these expenses is shown below:

	Equity	\$ Income Statement	Total
Pre IPO financial expenses	-	1,950,000	1,950,000
ASX & ASIC	99,255	73,874	173,129
Broker firm	751,045	437,971	1,189,016
Professional services	468,468	733,373	1,201,841
Other costs	4,267	575,231	579,498
	<b>1,323,035</b>	<b>3,770,449</b>	<b>5,093,484</b>

The Group registered these expenses according to AASB 132, registration as equity the cost related to the issuance of the new shares and as an expense the cost related to the old shares.

#### 8. Income tax

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year ended 31 December 2015 is 30% (30% in 2014).

##### a) Income tax expense

	Note	31 December 2015 \$	31 December 2014 \$
Current tax		2,036,625	1,496,344
Deferred tax	16	(238,687)	5,846
Income tax expense		<b>1,797,938</b>	<b>1,502,190</b>



## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

b) Numerical reconciliation of income tax expense to prima facie tax payable:

	31 December 2015	31 December 2014
	\$	\$
Profit from ordinary activities before income tax:		
Continuing operations	4,386,561	5,300,101
Income tax calculated at 30% (2014:30%)	1,315,968	1,590,030
Tax effect of amounts that are not deductible/(taxable) in calculating income tax:		
Deductions double imposition	(65,415)	(34,282)
Other non deductible expenses	39,783	-
Employee option plan	172,200	-
Interest on convertible notes	585,000	-
Research and development tax credit	(63,736)	(70,609)
Capital expenses not deductible for tax purposes	373,935	-
<b>Subtotal</b>	<b>2,357,735</b>	<b>1,485,139</b>
Differences in overseas tax rates	(397,041)	-
Tax losses not brought into account	37,020	-
Adjustments for current tax of prior periods	(199,776)	17,051
<b>Total income tax expense</b>	<b>1,797,938</b>	<b>1,502,190</b>

c) Tax expense relating to items of other comprehensive income

	31 December 2015	31 December 2014
	\$	\$
Foreign currency translations	(60,074)	25,965
	<b>(60,074)</b>	<b>25,965</b>

Tax losses not brought to account predominantly relate to corporate expenses in jurisdictions where it has been determined it is not probable that future taxable profits will be available to utilize the losses.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### 9. Cash and cash equivalents

	31 December 2015	31 December 2014
	\$	\$
Cash on hand	6,296	406
Bank balances	20,996,637	4,196,967
	<b>21,002,933</b>	<b>4,197,373</b>

The carrying amounts of cash and cash equivalents by currency are as follows:

	31 December 2015	31 December 2014
	\$	\$
Euro	4,701,648	3,433,954
Great Britain Pounds	911,366	58,692
Australian Dollar	14,072,630	106,638
US Dollar	975,665	598,089
Indian Rupies	32,398	-
Brazil Real	251,962	-
Singapore Dollar	57,264	-
	<b>21,002,933</b>	<b>4,197,373</b>

#### 10. Trade and other receivables

	Note	31 December 2015	31 December 2014
		\$	\$
Trade receivables		3,581,187	1,771,758
Provision for impairment of receivables	10 b)	(183,477)	(65,464)
		<b>3,397,710</b>	<b>1,706,294</b>
Loans and receivables to related parties	27	63,811	525,966
Other receivables		7,913	5,961
Short-term prepayments		50,874	12,157
Other receivable relating to Value-Added Tax		364,392	262,673
		<b>486,990</b>	<b>806,757</b>
		<b>3,884,700</b>	<b>2,513,051</b>

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### a) Fair value of trade and other receivables

Due to the short term nature of these receivables, the fair value of trade and other receivables approximate their carrying amount.

#### b) Impaired trade receivables

The movement in the provision is as follows:

	31 December 2015	31 December 2014
	\$	\$
Provision for impairment at the beginning of the financial year	(65,464)	(16,179)
Business combination - Lokku acquisition	(6,686)	-
Provision for impairment of receivables	(111,327)	(49,285)
Provision for impairment at the end of the financial year	<b>(183,477)</b>	<b>(65,464)</b>

Provision for impaired receivables has been included in "Operational Expenses" in the income statement. The amounts charged to the provision are written off when no more cash is expected to be recovered. Balances for which full provision has been made are also entirely for mature debt of more than six months standing.

As at 31 December 2015, trade receivables of \$890,927 (2014: \$435,940) were past due and not impaired. These relate to a number of independent customers and debtors for whom there is no recent history of default.

The ageing analysis of these trade receivables accounts is as follows:

	31 December 2015	31 December 2014
	\$	\$
Up to 3 months	662,698	332,310
Between 3 and 6 months	228,229	66,111
More than 6 months	-	37,519
	<b>890,927</b>	<b>435,940</b>

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### c) Foreign exchange

The carrying amounts of trade receivables by currency are as follows:

	31 December 2015	31 December 2014
	\$	\$
Euro	1,560,598	1,076,827
US Dollar	731,135	502,183
Australian Dollar	102,708	87,489
GBP	343,612	50,601
Brazil Real	192,012	54,658
Indian Rupies	651,122	-
	<u>3,581,187</u>	<u>1,771,758</u>

#### 11. Financial assets at fair value through profit or loss

	31 December 2015	31 December 2014
	\$	\$
Equity securities – Europe	-	380,043
	<u>-</u>	<u>380,043</u>

The amount as at 31 December 2014 includes an investment in a Collective Investment in Transferable Securities (UCIT). An UCIT aims to allow collective investment schemes to operate freely throughout the Europe Union on the basis of a single authorisation from one member state.

Changes in fair values of financial assets at fair value through profit or loss are recorded in "Net finance Income / (Expense)". This investment was sold on 25 March 2015 for a total amount of \$381,497. It generated a financial income of \$1,454 during 2015 (financial income of \$7,022 during 2014).

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### 12. Property, plant and equipment

	Leasehold improvements	Furniture, fittings and equipment	Total
	\$	\$	\$
<b>At 1 January 2014</b>			
Cost or fair value	-	471,335	471,335
Accumulated depreciation	-	(228,357)	(228,357)
Net book amount	-	242,978	242,978
<b>Year ended 31 December 2014</b>			
Opening net book amount	-	242,978	242,978
Exchange differences	-	(1,848)	(1,848)
Additions	-	158,882	158,882
Depreciation charge	-	(147,308)	(147,308)
Closing net book amount	-	252,704	252,704
<b>At 31 December 2014</b>			
Cost or fair value	-	628,369	628,369
Accumulated depreciation	-	(375,665)	(375,665)
Net book amount	-	252,704	252,704
<b>Year ended 31 December 2015</b>			
Opening net book amount	-	252,704	252,704
Exchange differences	-	103	103
Acquisition of subsidiary	-	44,485	44,485
Additions	231,816	422,032	653,848
Depreciation charge	(11,443)	(210,671)	(222,114)
Closing net book amount	220,373	508,653	729,026
<b>At 31 December 2015</b>			
Cost or fair value	231,816	1,094,989	1,326,805
Accumulated depreciation	(11,443)	(586,336)	(597,779)
Net book amount	<b>220,373</b>	<b>508,653</b>	<b>729,026</b>

The main significant additions to property, plant and equipment in 2015 were leasehold improvements, furniture, fittings and equipment acquired for the new offices in Madrid.

As of 31 December 2015 and 2014 there are no assets fully depreciated.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### 13. Intangible assets

	Goodwill	Customer relationships	Trademarks and licenses	Software and website development	Total
	\$	\$	\$	\$	\$
<b>At 1 January 2015</b>					
Cost or fair value	-	-	-	-	-
Accumulated amortisation and impairment	-	-	-	-	-
Net book amount	-	-	-	-	-
<b>Year ended 31 December 2015</b>					
Opening net book amount	-	-	-	-	-
Exchange differences	-	-	-	6,892	6,892
Acquisition of business	-	-	-	102,346	102,346
Additions	5,086,057	6,359,064	1,228	107,377	11,553,726
Adjustments/Disposals	-	-	-	(11,154)	(11,154)
Amortisation charge	-	(847,875)	-	(33,509)	(881,384)
Closing net book amount	5,086,057	5,511,189	1,228	171,952	10,770,426
<b>At 31 December 2015</b>					
Cost or fair value	5,086,057	6,359,064	1,228	205,461	11,651,810
Accumulated amortisation and impairment	-	(847,875)	-	(33,509)	(881,384)
Net book amount	<b>5,086,057</b>	<b>5,511,189</b>	<b>1,228</b>	<b>171,952</b>	<b>10,770,426</b>

The Group had no intangible assets prior to 2015.

The additions during 2015 relate to a website acquired from a related party for a total amount of \$107,377 (see note 27), and the goodwill and customer relationships derived from the acquisition of Lokku (see note 17).

Both the net asset value and the allocation of the purchase price to acquired assets are still preliminary. In particular, the fair values assigned to intangible assets are still being assessed and may be subject to change. The acquisition accounting will be finalised within 12 months of the acquisition date. As the purchase price allocation remains preliminary at 31 December 2015, the goodwill recognised of \$5,086,000 has not been allocated to a cash generating unit (CGU) or group of CGUs and no impairment testing has been performed as at 31 December 2015. In addition, the Group has assessed that there are no indications of impairment as at 31 December 2015.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### 14. Other non-current financial assets

	31 December 2015	31 December 2014
	\$	\$
Lease guarantee	165,064	-
	<u>165,064</u>	<u>-</u>

This is the deposit paid by the Group as guarantee to the lessor of the offices that the Group has in Madrid (Spain). This office is lease under non-cancellable operating leases expiring within five years. However, after three years the Group can cancel the lease with a 6 month notice (see note 26).

#### 15. Trade and other payables

	Note	31 December 2015	31 December 2014
		\$	\$
Trade payables		1,039,961	261,433
Amounts due to related parties	27	191,147	25,750
Sundry payables		-	5,173
Personnel		44,074	4,689
Other payables to tax authorities		252,136	116,139
		<u>1,527,318</u>	<u>413,184</u>

The carrying amounts of trade and other payables are the same as their fair value, due to their short-term nature.

#### 16. Deferred tax balances

##### a) Deferred tax assets

	31 December 2015	31 December 2014
	\$	\$
The balance comprises temporary differences attributable to:		
Bonus accrual	4,409	-
Total deferred tax assets	<u>4,409</u>	<u>-</u>

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

Movements	Bonus accrual \$	Total \$
<b>At 1 January 2014</b>	-	-
(Charged)/credited:		
- to profit or loss	-	-
- to other comprehensive income	-	-
- directly to equity	-	-
<b>At 31 December 2014</b>	-	-
(Charged)/credited:		
- to profit or loss	(53,375)	(53,375)
- to other comprehensive income	-	-
- directly to equity	-	-
Acquisition of subsidiary	57,784	57,784
<b>At 31 December 2015</b>	<b>4,409</b>	<b>4,409</b>

#### b) Deferred tax liabilities

	31 December 2015 \$	31 December 2014 \$
The balance comprises temporary differences attributable to:		
Property, plant and equipment	32,268	69,967
Intangibles - Customer Relationships	1,653,356	-
<b>Total deferred tax liabilities</b>	<b>1,685,624</b>	<b>69,967</b>

Movements	Property, Plant and Equipment \$	Intangibles - Customer Relationships \$	Total \$
<b>At 1 January 2014</b>	64,121	-	64,121
Charged/(credited):			
- to profit or loss	5,846	-	5,846
- to other comprehensive income	-	-	-
- directly to equity	-	-	-
<b>At 31 December 2014</b>	<b>69,967</b>	<b>-</b>	<b>69,967</b>
Charged/(credited):			
- to profit or loss	(37,699)	(254,363)	(292,062)
- to other comprehensive income	-	-	-
- directly to equity	-	-	-
Acquisition of subsidiary	-	1,907,719	1,907,719
<b>At 31 December 2014</b>	<b>32,268</b>	<b>1,653,356</b>	<b>1,685,624</b>



## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### 17. Business combinations

On 8 May 2015, the Group acquired 100% of the issued share capital of Lokku Limited. Lokku owns and operates a network of 13 real estate vertical search websites in 9 countries. These websites operate under the 'Nestoria', 'FindProperly', 'Bilatu' and 'Gartoo' brands. This acquisition allowed the Mitula Group to consolidate its presence in the real estate vertical in nine of the countries in which it operates.

##### a) Purchase consideration

	\$
Cash	8,569,851
Working capital adjustment	434,316
Right to purchase shares - First option	120,000
Right to purchase shares - Second option	1,416,629
<b>Total purchase consideration</b>	<b>10,540,796</b>

Cash consideration payable to the Lokku Vendors comprised of €6.0 million (\$8.6 million) plus a working capital adjustment of approximately €0.3 million (\$0.4 million). The Lokku Vendors also had the right to purchase newly issued Shares pursuant to two separate options. These options were fair valued at \$0.1 million and \$1.3 million at the acquisition date and included within the total purchase consideration of \$10.54 million:

- The **First Option** entitled the selling Lokku Vendors to purchase (in their respective proportions) in aggregate up to the number of Shares equal to €3.0 million divided by the exercise price (which is the Offer Price less a 20% discount - \$0.60 per Share) (**Exercise Price**).

The Lokku Vendors exercised this first option on 1 July 2015, acquiring a total of 800,000 shares for a total amount of \$480,000. An amount equal to the difference between exercise price and the Offer Price of the shares of \$120,000 was recognized within contributed equity in addition to the cash proceeds received.

- The **Second Option** entitled the Lokku Vendors to purchase (in their respective proportions) in aggregate up to the number of Shares equal to €3.0 million divided by the Exercise Price. The Lokku Vendors must pay the Exercise Price (\$0.60) for Shares acquired pursuant to the Second Option.

The Lokku Vendors exercised this second option on 15 October 2015, acquiring a total of 3,777,677 shares for a total amount of \$2,266,606. An amount equal to the difference between the exercise price and the fair value of the shares of \$1,416,629 was recognized within contributed equity in addition to the cash proceeds received.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

The assets and liabilities acquired are as follows:

	\$
Cash and cash equivalents	110,108
Trade and other receivables	1,197,813
Plant and equipment	44,485
Deferred tax asset	57,784
Investments in subsidiaries	62,454
Intangible assets	102,346
Trade and other payables	(180,364)
Provisions	(312,334)
Tax liabilities	(78,898)
Net assets	1,003,394
Goodwill	5,086,057
Deferred tax liability	(1,907,719)
Customer relationships	6,359,064
Net assets acquired	<b>10,540,796</b>

The goodwill is attributable to the workforce, Lokku's position in a high growth market, its customer database, the high profitability of the business and synergistic benefits expected to be created by this acquisition. The goodwill is not expected to be deductible for tax purposes.

Acquisition related costs of this business combination amounts to \$177,939.

#### b) Initial accounting

Both the net asset value and the allocation of the purchase price to acquired assets are still preliminary. In particular, the fair values assigned to intangible assets are still being assessed and may be subject to change. The acquisition accounting will be finalised within 12 months of the acquisition date.

#### c) Purchase consideration – cash outflow

	31 December 2015	31 December 2014
	\$	\$
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	8,569,851	-
Working capital adjustment	434,316	-
Total purchase consideration	9,004,167	-
Less: cash balance acquired	(110,108)	-
Net outflow of cash – investing activities	<b>8,894,059</b>	-

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### 18. Capital risk management policy

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

#### 19. Contributed equity

##### (a) Share capital

	31 December 2015		
	Notes	Number of shares	\$
Ordinary shares			
Ordinary shares fully paid	10b)	208,737,689	27,135,770

##### (b) Movements in ordinary share capital

Date	Details	Notes	Number of shares	Issue price	\$
1 January 2014	Opening balance		3,436	1.49	5,121
	<b>Closing balance</b>		<b>3,436</b>	<b>1.49</b>	<b>5,121</b>
1 January 2015	Opening balance	a)	3,436	1.49	5,121
11 March 2015	Incorporation of Mitula Group		12	1.00	12
24 March 2015	Share Split	b)	340,164	-	-
17 April 2015	Capital reorganization	c)	171,456,400	-	(5,121)
1 July 2015	New shares issued	d)	19,360,000	0.75	14,520,000
1 July 2015	New shares convertible notes holders	e)	13,000,000	0.75	9,750,000
1 July 2015	New shares Lokku vendors first option	f)	800,000	0.75	600,000
15 October 2015	Issue of shares Lokku vendors second option	g)	3,777,677	0.98	3,683,235
			208,737,689		28,553,247
	Transaction costs on share issue		-	-	(1,323,035)
	<b>Closing balance</b>		<b>208,737,689</b>	<b>-</b>	<b>27,230,212</b>

a) The share capital of Mitula Classified, SL amounted to 3,436 shares with a nominal value of \$1.49 (€1), fully paid up.

b) As of 24 March 2015 Mitula Classified, SL performed a split of shares from nominal value of \$1.49 (€1) to a nominal value of \$0.0149 (€0.01). Thus, share capital is represented by 346,000 shares.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

c) Under the terms of a share exchange agreement, dated 25 March 2015 but with effective date 17 April 2015, between the Company and existing shareholders, each of the existing shareholders (who at the date of the agreement, owned all of the shares in Mitula Classified, SL) agreed to contribute 343,600 ordinary shares in Mitula Classified, SL (representing 100% of the issued capital of Mitula Classified, SL) for the issue of 171,800,000 ordinary Shares in the Company (Share Exchange Agreement). The result of this share exchange was an identical proportionate shareholding structure in the Company as was the shareholding structure of Mitula Classified, SL immediately prior to entering into the Share Exchange Agreement.

Each of the existing shareholders provided representations and warranties to the Company as to the ownership of, and title to, their shares in Mitula Classified, SL, their power and authority to enter into the Share Exchange Agreement and their solvency.

d) On 1 July 2015 the Group completed an initial public offering of its shares. Under the offering an amount of \$14.5 million was raised. Funds raised are used to strengthen Mitula Group's balance sheet and provide working capital to:

- opportunistically acquire complementary businesses in existing countries to increase the number of visits and Click Outs generated in those markets;
- opportunistically acquire new businesses in new countries to facilitate quick entrance into those markets; and
- accelerate new product and technology innovation through either enhanced internal development or through opportunistic acquisition of complementary technology businesses;

e) On 23 April 2015, the Mitula Group raised \$7.8m through the issue of convertible notes to finance the acquisition of Lokku. Pursuant to the terms of the Convertible Notes Agreement, the Convertible Notes holders received 13,000,000 shares at a price of \$0.60 per share at the same time of the IPO.

f) Pursuant to the terms of the acquisition agreement between the Group and Lokku Vendors, the Lokku Vendors acquired 800,000 shares at a price of \$0.60 per share at the same time of the IPO.

g) Pursuant to the terms of the acquisition agreement between the Group and Lokku Vendors, the Lokku Vendors acquired 3,777,677 shares at a price of \$0.60 per share on 15 October 2015.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### 20. Other reserves

	31 December 2015	31 December 2014
	\$	\$
Reserves	-	446,460
Retained earnings	4,740,269	4,935,897
Share-based payments	574,000	79,957
	<b>5,314,269</b>	<b>5,462,314</b>
Movements:		
<b>Reserves</b>		
Opening balance	446,460	446,460
Capital reorganization	(446,460)	-
Closing balance	-	<b>446,460</b>
<b>Retained earnings</b>		
Opening balance	4,935,897	2,205,997
Capital reorganization	105,955	-
Dividend	(2,896,072)	(1,069,096)
Other changes	5,866	1,085
Profit for the period	2,588,623	3,797,911
Closing balance	<b>4,740,269</b>	<b>4,935,897</b>
<b>Share-based payments</b>		
Opening balance	79,957	-
Capital reorganization - liquidation previous share plan	(79,957)	-
Share-based payment expense	574,000	79,957
Closing balance	<b>574,000</b>	<b>79,957</b>

#### 21. Share-based payments

During 2015 the Group granted 2,800,000 options to its directors and senior management as part of the IPO remuneration. The options are exercisable from 1 July 2016 and lapse on 30 June 2018. The exercise price is \$0.40 per option.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2015		2014	
	Average exercise price per share option	Options	Average exercise price per share option	Options
At 1 January	-	-	-	-
Granted during the year	\$0.40	2,800,000	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
<b>At 31 December</b>	<b>\$0.40</b>	<b>2,800,000</b>	-	-
Vested and exercisable at 31 December	-	-	-	-

No options expired during the periods covered by the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Vest date	Expiry date	Exercise price	Share options	
				31 December 2015	31 December 2014
30 June 2015	1 July 2016	1 July 2018	\$ 0.40	2,800,000	-
				<b>2,800,000</b>	<b>-</b>

The Group estimated the fair value of this option is \$0.41 per option, for a total amount of \$1,148,000. This amount is recognised as an expense into the income statement on a monthly basis from the grant date to the vesting date.

Total expenses arising from share-based payment transactions recognised during the period was \$574,000.

During 2014 Mitula Classified, SL operated a share based plan for certain employees. All of these options were liquidated during 2015, prior to the capital reorganization of Mitula Group Ltd and the IPO (see note 19). Total expenses arising from share-based payment transactions recognised during 2014 was \$79,957.

The assessed fair value at grant date of options granted during the year ended 31 December 2015 was \$0.41 per option. The fair value at grant date is independently determined using an adjusted form of the Longstaff-Schwartz (LS) Method which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

The model inputs for options granted during the year ended 31 December 2015 included:

Parameter	Value as of 30 June 2015
Underlying Volatility (annualized)	44%
Risk Free Rate	2.331%
Dividend Yield	0%
Strike	0.4 AUD/Share
Spot	0.75 AUD/Share

## 22. Dividends

The distribution of an extraordinary dividend against 2013 results amounting to €0.7 million (\$1.1 million) was approved in a shareholders meeting dated 24 March 2014. As at 31 December 2014 the total amount of dividends has been paid.

The distribution of an extraordinary dividend against 2014 results amounting to €2.1 million (\$2.9 million) was approved in a shareholders meeting dated 2 February 2015. As at 31 December 2015 the total amount of dividends has been paid.

## 23. Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. The calculation of earnings per share was based on the information as follows:

### (a) Basic and diluted earnings per share

	31 December 2015		31 December 2014	
	Cents per share		Cents per share	
	Basic	Diluted	Basic	Diluted
From continuing operations attributable to the ordinary equity holders of the Group	1.37	1.36	2.21	2.21

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### (b) Reconciliations of earnings used in calculating earnings per share

	31 December 2015	31 December 2014
	\$	\$
<i>Basic earnings per share</i>		
Profit attributable to the ordinary equity holders of the Group used in calculating basic earnings per share:		
From continuing operations	2,588,623	3,797,911
From discontinued operation	-	-
	<u>2,588,623</u>	<u>3,797,911</u>
<i>Diluted earnings per share</i>		
Profit from continuing operations attributable to the ordinary equity holders of the Group:		
Used in calculating basic earnings per share	2,588,623	3,797,911
Add / (Less)	-	-
Used in calculating diluted earnings per share	<u>2,588,623</u>	<u>3,797,911</u>
From discontinued operation	-	-
Profit attributable to the ordinary equity holders of the Group used in calculating diluted earnings per share	<u>2,588,623</u>	<u>3,797,911</u>

#### (c) Weighted average number of shares used as denominator

	31 December 2015	31 December 2014
	Number of shares	Number of shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	189,167,026	171,800,000 (*)
Weighted average of potential dilutive ordinary shares:		
- options	<u>1,400,000</u>	-
Weighted average number of shares used as denominator in calculating diluted EPS	<u>190,567,026</u>	<u>171,800,000</u>

(\*) At 24 March 2015, Mitula Classified, SL has performed two split of shares from nominal value of \$1.49 (€1) to a nominal value of \$0.0149 (€0.01) (see note 19).

On 25 March 2015 existing shareholders of Mitula Classified, SL contributed their shares in this company for the issue of 171,800,000 ordinary shares of Mitula Group (see note 20).

Therefore basic and diluted earnings per share for previous years have been calculated using the number of shares deriving from the split.



## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### 24. Key management Personnel disclosures

Key management personnel (KMP) are those people having authority and responsibility for planning, directing and controlling the activities of the consolidated entity. The following Directors and other key management personnel were considered KMP for the entire period unless otherwise stated.

##### Non-Executive Directors

Simon Baker	Independent Non-Executive Chairman
Gonzalo Ortiz	Non-Executive Director
Joe Hanna	Independent Non-Executive Director
Sol Wise	Independent Non-Executive Director

##### Executive Directors

Gonzalo del Pozo	Chief Executive Officer and Executive Director
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##### Other Key Management Personnel

Ricardo Gómez de Olea	Chief Financial Officer
Marcelo Badimón	Chief Operations Officer

##### a) Key management personnel compensation

	31 December 2015	31 December 2014 *
	\$	\$
Short-term employee benefits	800,438	-
Share-based payments	574,000	-
Long-term benefits	4,275	-
	<u>1,378,713</u>	<u>-</u>

\* During 2014 Mitula Classified, SL did not have key management personnel. These functions were performed by members of the Board of Director, and their fees were included in management fees received from the related party Tadium Invest, SL (note 27).

#### 25. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### a) PricewaterhouseCoopers Australia

	31 December 2015	31 December 2014
	\$	\$
<i>Audit and other assurance services</i>		
Audit and review of financial statements	116,700	-
Other assurance services:		
- Due diligence services	70,000	-
Total remuneration for audit and other assurance services	<u>186,700</u>	<u>-</u>
<i>Taxation services</i>		
Tax consulting services and advice in relation to IPO	82,500	-
Total remuneration for taxation services	<u>82,500</u>	<u>-</u>
<i>Other services</i>		
Investigating accountant services in relation to the IPO	320,000	-
Total remuneration for other services	<u>320,000</u>	<u>-</u>
Total remuneration of PricewaterhouseCoopers Australia	<u>589,200</u>	<u>-</u>

#### b) Network firms of PricewaterhouseCoopers Australia

	31 December 2015	31 December 2014
	\$	\$
<i>Audit and other assurance services</i>		
Audit and review of financial statements	223,337	117,362
Other assurance services:		
- Due diligence services	-	-
Total remuneration for audit and other assurance services	<u>223,337</u>	<u>117,362</u>
Total remuneration of network firms of PricewaterhouseCoopers Australia	<u>223,337</u>	<u>117,362</u>

## 26. Commitments

#### a) Non-cancellable operating leases

The Group's main office is in Madrid (Spain). This office is lease under non-cancellable operating leases expiring within five years. However, after three years the Group can cancel the lease with 6 months notice. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	31 December 2015	31 December 2014
	\$	\$
Within one year	199,450	-
Later than one year but not later than five years	262,966	-
Later than five years	-	-
	<b>462,416</b>	<b>-</b>

#### 27. Related party transactions

##### a) Subsidiaries

Interests in subsidiaries are set out in note 5.

##### b) Key management personnel

Disclosures relating to key management personnel are set out in note 24.

##### c) Transactions with related parties

The following transactions occurred with related parties:

	31 December 2015	31 December 2014
	\$	\$
<i>Sales and purchases of goods and services</i>		
Sale of services to entities controlled by key management personnel	121,681	6,188
Purchase of management services from entities controlled by key management personnel	1,548,351	1,363,145
Purchases of website from entities controlled by key management personnel	107,377	-
Purchases of various services from entities controlled by key management personnel	133,075	131,490
Superannuation contributions	4,275	-

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

d) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	31 December 2015	31 December 2014
	\$	\$
Receivables from related parties (note 10):		
Entities controlled by key management personnel	63,811	-
Payables to related parties (note 14):		
Entities controlled by key management personnel	191,147	25,750

e) Loans to related parties

	31 December 2015	31 December 2014
	\$	\$
<i>Loans to key management personnel</i>		
Beginning of the year	372,584	-
Loans advanced	-	372,584
Loan repayments received	(372,584)	-
Interest charged	1,587	-
Interest received	(1,587)	-
End of year	<u>-</u>	<u>372,584</u>
<i>Loans to other related parties</i>		
Beginning of the year	153,382	-
Loans advanced	-	149,089
Loan repayments received	(149,089)	-
Interest charged	3,644	4,293
Interest received	(7,937)	-
End of year	<u>-</u>	<u>153,382</u>

f) Terms and conditions

Transactions relating to dividends, calls on partly paid ordinary shares and subscriptions for new ordinary shares were on the same terms and conditions that applied to other shareholders.

The loans to key management personnel are generally for period of 1 year repayable in one instalment at interest rates of 5% per annum.

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

Services were provided to other related parties during the year based on the price lists in force and terms that would be available to third parties. Management services were bought from the immediate parent entity on a cost-plus basis, allowing a margin of 10% (2014 – 10%). All other transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between the parties.

#### 28. Contingencies

The Group had no contingent liabilities at 31 December 2015 (2014: nil).

#### 29. Cash flow information

Reconciliation of profit after income tax to net cash inflow from operating activities

	31 December 2015	31 December 2014
	\$	\$
Profit for the period	2,588,623	3,797,911
Adjustments for		
Depreciation and amortisation	1,103,498	147,308
Impairment trade receivables	111,327	49,285
Non-cash employee benefits expense-share based payments	574,000	79,957
Financial income	-	(4,293)
Fair value (gains)/losses on financial assets at fair value through profit or loss	-	(7,022)
Financial expense of convertible notes	1,950,000	-
Net exchange differences	(212,931)	50,446
Change in operating assets and liabilities, net of effects from purchase of Lokku:		
(Increase)/decrease in trade debtors	(806,836)	(767,309)
Increase/(Decrease) in trade creditors	542,555	87,321
(Increase)/Decrease in other operating assets	(77,697)	-
Increase/(Decrease) in income taxes payable	(655,943)	1,065,941
(Increase)/Decrease in deferred tax assets	53,375	-
Increase/(Decrease) in deferred tax liabilities	(292,062)	5,830
Net cash inflow (outflow) from operating activities	<b>4,877,909</b>	<b>4,505,375</b>

## MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

### Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015

#### 30. Parent entity financial information

##### a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	<b>31 December 2015</b>
	<b>\$</b>
<b>Balance Sheet</b>	
Current Assets	14,315,363
Non-current assets	12,705,416
<b>Total assets</b>	<b>27,020,779</b>
Current liabilities	340,722
Non-current liabilities	784,656
<b>Total liabilities</b>	<b>1,125,378</b>
<b>Net assets</b>	<b>25,895,401</b>
<b>Shareholders' Equity</b>	
Issued capital	27,135,770
Other reserves	2,781,269
	<b>29,917,039</b>
Profit or loss for the period	<b>(4,021,638)</b>
Total comprehensive income	<b>(4,021,638)</b>

##### b) Guarantees entered into by the parent entity

The parent entity has not provided financial guarantees as at 31 December 2015.

##### c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2015. For information about guarantees given by the parent entity, please see above.

##### d) Contractual commitments for the acquisition of property, plant or equipment

As at 31 December 2015 the parent entity had no contractual commitments for the acquisition of property, plant or equipment.

##### e) Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements,

## **MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES**

### **Notes to the Preliminary Consolidated Financial Statements For the year ended 31 December 2015**

#### **31. Events occurring after the reporting period**

No events have taken place after the year end, affecting the content of the financial statements for the year.

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