

ASX / Press Release

26 July 2017

Mitula Group Board Reconfirms Confidence in the Business

The Board of the Mitula Group Limited (“**Mitula Group**” or the “**Company**”) (ASX:MUA) has today reconfirmed its confidence in the Management and the strategic direction of the Company.

Combined, the Board and Management own approximately 45% of the shares in the Company. As such, the team is heavily invested in the success of the business and is confident of the long term value of its ‘Closer to the Transaction’ strategy for all shareholders.

The Board fully recognises the market impact of the recent forecast downgrade and has undertaken a series of initiatives to reconfirm its support for the Company. These include:

- The Short Term Incentive (“STI”) Program in place for Senior Management will not be paid in 2017;
- From 1 July 2017 onwards, all Board members will take their fees in the form of shares at a price of \$1.00, reflecting the pre-announcement share price and a significant premium to the closing price on 25 July 2017; and
- The Directors will individually consider purchasing shares on market following the release of the half year results on 10th August 2017 and the end of a trading blackout period.

Simon Baker, Chairman of the Mitula Group, commented: “We fully understand the impact that the reforecast has had on our shareholders and believe that it is only right that the Board and Management restructure their packages to reflect this reforecast and to also show their support for the Company.

“Senior Management, which was already at the lower end of the pay spectrum and reliant on share price growth for true personal value creation, will not receive their 2017 short term incentive payments.

“The Board has agreed to receive their fees in the form of shares at the price of \$1.00 from 1 July 2017 and individual Board Members will look at buying shares on market after the release of the Company’s interim results on the 10th August 2017.

“The Company is in very good shape with full year revenues forecasted to have year on year growth between 21.4 and 28.6 percent to between \$34.0 million and \$36.0 million and adjusted EBITDA to be between \$12.0 million and \$13.0 million. In addition, the Company has no debt, approximately \$11.0 million in the bank, strong growth, a clear strategy and is still very profitable.

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“The Board has decided to continue to invest in its ‘Closer to the Transaction’ strategy and believes that transitioning the business away from a sole reliance on the sale of clicks to a more balanced business with clicks, advertising and transaction based revenues is in the best interests of the Company.”

The company expects to report its interim results on 10 August 2017.

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About the Mitula Group

The Mitula Group was founded in 2009 and is a leading digital classifieds group operating vertical search, portals and transaction based sites.

- It operates 104 vertical search sites across property, employment, motoring and fashion in 51 different countries and 19 different languages. These sites operate under the Mitula, Fashiola, Kleding.nl, Nestoria and Nuroa brands.
- It operates 10 property portals in 9 South East Asian countries under the Dotproperty and Thailand-property brands.

The Mitula Group generates over 60 million visits per month to its network of vertical search and portal sites.

The Mitula Group monetises visits to these sites through a range of products and services including:

- Clicks based revenues – Google AdSense and cost-per-click (“CPC”) sales;
- Advertising based revenues – display advertising, listing sales (on portals), native ads, and other advertising products; and
- Transaction based revenues – cost-per-acquisition (“CPA”) and commission share products.

The Mitula Group customers include portals (property, employment and motoring), online fashion stores, general classified sites, real estate agents, developers and general display advertisers.

The Company listed on the Australian Securities Exchange (“ASX”) on 1 July 2015 and trades under the ASX code MUA.

Further Information

Gonzalo del Pozo
CEO
gonzalo@mitulagroup.com

Simon Baker
Chairman
simon@mitulagroup.com

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