Rule 4.2A.3

Appendix 4D

Mitula Group Limited
ABN 82 604 677 796

Results for announcement to the market

Half year report
Period ended 30 June 2017
(Previous corresponding period: 6-month period ended 30 June 2016)

		30 Jun 2017 A$'000	% Change from 6 months ended 30 Jun 2016	30 Jun 2016 A$'000
Revenue from ordinary activities	Up	15,713.6	15.7%	13,586.7
Profit from ordinary activities after tax attributable to members	Down	2,558.8	(45.4)%	4,686.3
Profit for the period attributable to members	Down	2,558.8	(45.4)%	4,686.3

Dividend information

The Group is not proposing to pay dividends

Explanatory Notes

1. For explanation of the figures reported above or other item(s) of importance not previously released to the market, please refer to the attached Interim Financial Report (which incorporates the Directors' Report and Financial Statements) for explanations.

Net tangible assets per ordinary security	Current period	Previous corresponding period to 30/06/16
Net tangible assets	13,532,825	23,921,286
Net assets	52,298,606	37,726,093
Issued share capital at reporting date	33,086,776	27,309,279
Number of shares on issue at reporting date	214,233,142	208,819,201
Net tangible assets per ordinary security	0.06	0.11
Net assets per ordinary security	0.24	0.18

Acquisitions and divestments

On the 2nd of March 2017, Mitula Group acquired 100% of the issued share capital of Kleding BV, a company in the Netherlands. The total purchase consideration was approximately $15.0 million (€10.9 million) and it was primarily funded by cash reserves ($13.7 million) as well as the issue of 1.0 million new shares in Mitula Group Limited.

At acquisition, Kleding BV operated 16 fashion vertical search sites under the Kleding.nl brand in the Netherlands and the Fashiola brand in Denmark, Australia, United Kingdom, Germany, Austria, Sweden, France, Poland, Italy, Switzerland, Brazil, Spain, Portugal and Belgium (French and Dutch sites). These sites aggregate over 18 million products from over 1,000 different online stores across men´s and women´s clothes, shoes and accessories.

Visitors to these sites select an item they are interested in and then click out to the originating online store. These click outs are monetised on a cost per acquisition bases whereby Kleding BV receives a percentage of the total spend by the user on the destination site during the first 30 days from the click out.

The Kleding.nl and Fashiola sites also provide display advertising opportunities for fashion brands to reach their highly targeted and relevant audience.

Profit contribution of Kleding is $458,296 from the date of incorporation into the Mitula Group (4 months starting in March 2017).

Accounting Standards

The financial report has been prepared in accordance with AASB134 Interim Financial Reporting and the Corporations Act 2001.

This report is based on the consolidated interim Financial Report for the 6-month period ended 30 June 2017 which has been reviewed by PricewaterhouseCoopers with the Independent Auditor's Review Report included in the Interim Financial Report.

MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES
ACN 604 677 796

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
30 JUNE 2017

MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

Interim Financial Report for the half year ended 30 June 2017

Contents

MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

Director's Report

The Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Mitula Group Limited ("the Company") and its controlled entities ("the Group"), for the half year ended 30 June 2017 and the Auditor's Review Report.

Directors

The following persons were directors of Mitula Group Limited during the half year and up to the date of this report:

Simon Baker	Independent Non-Executive Chairman
Gonzalo del Pozo	Chief Executive Officer and Executive Director
Gonzalo Ortiz	Non-Executive Director
Joseph Hanna	Independent Non-Executive Director
Sol Wise	Independent Non-Executive Director
Georg Chmiel	Independent Non-Executive Director (Appointed 18 January 2017)

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.

Terms used in this Report

The following terms, when used in this Directors' report, have these meanings:

- **EBITDA**: earnings before interest, tax, depreciation, amortisation and foreign exchange differences.
- **EBT**: Earnings before taxes, equivalent to Profit before tax.
- **NPAT**: Net profit after tax, equivalent to Profit after tax.

Review of Operations

$' 000	30 June 2017	30 June 2016	Variance
Revenue	**15,714**	**13,587**	15.7%
- AMERICAS	3,482	3,486	(0.1)%
- APAC	3,836	2,777	38.1%
- EMEA	8,396	7,324	14.6%
Operating expenses	(10,309)	(7,022)	46.8%
EBITDA[1]	**5,405**	**6,565**	**(17.7)%**
EBITDA margin	*34,4%*	*48.3%*	(28.8)%
Net cash flow from operations	4,907	6,072	(19.2)%
Cash balance (end of period)	10,877	22,239	(51.1)%

[1] Management believe additional non-IFRS financial information (EBITDA) is useful in measuring the performance of the Group. See below reconciliation statements to EBITDA and operating expenses.

Director's Report

Reconciliation Profit before tax to EBITDA

$' 000	30 June 2017	30 June 2016
Profit before tax	**3,598**	**5,985**
Depreciation & amortisation	1,107	798
Net finance (Income) / expense	(22)	(178)
Net foreign exchange (gains) / losses	722	(40)
Earnings before interest, tax, depreciation and amortization and foreign exchange differences	**5,405**	**6,565**

Reconciliation of Operating Expenses:

$' 000	30 June 2017	30 June 2016
Cost of sales	(3,373)	(1,690)
Employee benefit expenses	(3,993)	(3,649)
Other operating expenses	(978)	(469)
Technology expenses	(887)	(480)
Office expenses	(558)	(382)
Corporate expenses	(519)	(353)
Rounding	(1)	1
Operating expenses	**(10,309)**	**(7,022)**

First half revenues increased by 15.7 percent over the previous corresponding period. This was less than expected due to a configuration error incurred by the business during the period.

The configuration error caused pages from the Mitula branded sites to be served slower than they should be. This resulted in Google penalizing these sites leading to less than expected organic search traffic. The end result was less than forecast AdSense and CPC revenues leading to lower than expected year on year revenue growth.

This configuration error has been corrected and traffic is returning to normal. It is expected that this will occur before the end of the year.

EBITDA decreased by 17.7% over the previous corresponding period. This was primarily driven by the decrease in revenues attributed to the configuration error. In addition, the business has been aggressively investing in implementing its “Closer to the Transaction” strategy that is expected to deliver strong revenue growth over the coming years.

Cash reserves decreased during the period from $20.5 million to $10.9 million. This was primarily due to the acquisition of Kelding BV on the 2nd March 2017. The company generated $4.9 million in net cash flow from operations over the period. This was a decrease from $6.1 million in net cash flow in the previous corresponding period and directly related to the loss in revenue from the configuration error incurred by the business during the period.

Director's Report

Significant Changes in State of Affairs

Business combination – Fashiola

On the 2nd of March 2017, Mitula Group acquired 100% of the issued share capital of Kleding BV, a company in the Netherlands. The total purchase consideration was approximately $15.0 million (€10.9 million) and it was primarily funded by cash reserves ($13.7 million) as well as the issue of 1.0 million new shares in Mitula Group Limited.

At acquisition, Kleding BV operated 16 fashion vertical search sites under the Kleding.nl brand in the Netherlands and the Fashiola brand in Denmark, Australia, United Kingdom, Germany, Austria, Sweden, France, Poland, Italy, Switzerland, Brazil, Spain, Portugal and Belgium (French and Dutch sites). These sites aggregate over 18 million products from over 1,000 different online stores across men´s and women´s clothes, shoes and accessories.

Visitors to these sites select an item they are interested in and then click out to the originating online store. These click outs are monetised on a cost per acquisition bases whereby Kleding BV receives a percentage of the total spend by the user on the destination site during the first 30 days from the click out.

The Kleding.nl and Fashiola sites also provide display advertising opportunities for fashion brands to reach their highly targeted and relevant audience.

Profit contribution of Kleding is $458,296 from the date of incorporation into the Mitula Group (4 months starting in March 2017).

Reforecast expected financial results

On the 25th July 2017, the Board updated it 2017 financial forecast. Revenues are now expected to be between $34.0 million and $36.0 million, down from between $38.0 million and $41.0 million. In addition, EBITDA is expected to be between $12.0 million and $13.0 million, down from between $17.0 million and $19.0 million.

Dividends

The Company is not proposing to pay dividends. There are no dividend or distribution reinvestment plans in operation.

Subsequent events

There were no subsequent events after the reporting period occurred.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Director`s Reports) Instrument 2017/191*, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report and Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Director's Report

The Directors' Report is made in accordance with a resolution of directors.

Simon Baker
Chairman

Dated this 9th August 2017

Auditor's Independence Declaration

As lead auditor for the review of Mitula Group Limited for the half-year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Mitula Group Limited and the entities it controlled during the period

Jon Roberts
Partner
PricewaterhouseCoopers

Melbourne
9 August 2017

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MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

Consolidated statement of comprehensive income
For the half year ended 30 June 2017

	Notes	30 June 2017 $	30 June 2016 $
Revenue	8	15,713,570	13,586,661
Cost of sales	8	(3,373,169)	(1,689,952)
Gross profit		**12,340,401**	**11,896,709**
Employee benefit expenses		(3,993,067)	(3,648,622)
Operating expenses		(977,687)	(468,853)
Technology expenses		(887,311)	(479,779)
Office expenses		(557,786)	(381,818)
Corporate expenses		(519,115)	(352,636)
Earnings before interest, tax, depreciation and amortization and foreign exchange differences		**5,405,435**	**6,565,001**
Depreciation and amortisation expense		(1,107,110)	(798,382)
Net finance income		21,594	177,960
Net exchange rates differences		(721,946)	40,028
Profit before income tax		**3,597,973**	**5,984,607**
Income tax expense	9	(1,039,170)	(1,298,327)
Profit for the half year		**2,558,803**	**4,686,280**
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		172,202	(345,510)
Other comprehensive income for the period		**172,202**	**(345,510)**
Total comprehensive income for the period		**2,731,005**	**4,340,770**
Total comprehensive income attributable to owners		2,731,005	4,340,770
Earnings per share for profit attributable to the ordinary equity holders of the company:		**Cents**	**Cents**
Basic earnings per share	14	1.20	2.24
Diluted earnings per share	14	1.18	2.21

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

Consolidated balance sheet
As at 30 June 2017

	Notes	30 June 2017 $	31 December 2016 $
ASSETS			
Current Assets			
Cash and cash equivalents		10,876,909	20,462,205
Trade and other receivables		6,593,013	5,468,174
Current tax assets		172,602	210,387
Other current assets		5,152	15,670
Total current assets		**17,647,676**	**26,156,436**
Non-current assets			
Property, plant and equipment	6	810,177	899,577
Goodwill	7	32,662,196	18,952,676
Other intangible assets	7	6,103,585	6,261,162
Other non-current financial assets	5	551,878	547,956
Deferred income tax asset		118,749	201,780
Total non-current assets		**40,246,585**	**26,863,151**
Total assets		**57,894,261**	**53,019,587**
LIABILITIES			
Current liabilities			
Trade and other payables		2,675,268	1,478,790
Current tax liabilities		1,116,001	500,506
Total current liabilities		**3,791,269**	**1,979,296**
Non-current liabilities			
Other liabilities	5	337,328	351,739
Deferred tax liability		1,467,058	1,795,366
Total non-current liabilities		**1,804,386**	**2,147,105**
Total liabilities		**5,595,655**	**4,126,401**
Net assets		**52,298,606**	**48,893,186**
EQUITY			
Contributed equity	12	33,086,776	32,136,903
Other equity	11	2,605,706	2,605,706
Reserves	11	1,328,077	1,603,535
Retained earnings	11	15,472,795	12,913,992
Foreign currency translation reserve		(194,748)	(366,950)
Total equity		**52,298,606**	**48,893,186**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

Consolidated statement of changes in equity
For the half year ended 30 June 2017

Consolidated entity	Notes	Contributed equity $	Other equity $	Reserves $	Retained earnings $	Translation differences $	Total equity $
Balance at 1 January 2016		**27,230,212**	**-**	**574,000**	**4,740,269**	**187,775**	**32,732,256**
Profit for the period		-	-	-	8,173,723	-	8,173,723
Other comprehensive income		-	-	-	-	(554,725)	(554,725)
Total comprehensive income for the period		**-**	**-**	**-**	**8,173,723**	**(554,725)**	**7,618,998**
Transactions with owners in their capacity as owners:							
Issue of new shares		4,906,691	-	-	-	-	4,906,691
Share-based payments		-	-	1,029,535	-	-	1,029,535
Shares granted on business acquisition yet to be issued		-	2,605,706	-	-	-	2,605,706
Balance at 31 December 2016		**32,136,903**	**2,605,706**	**1,603,535**	**12,913,992**	**(366,950)**	**48,893,186**
Balance at 1 January 2017		**32,136,903**	**2,605,706**	**1,603,535**	**12,913,992**	**(366,950)**	**48,893,186**
Profit for the period		-	-	-	2,558,803	-	2,558,803
Other comprehensive income		-	-	-	-	172,202	172,202
Total comprehensive income for the period		**-**	**-**	**-**	**2,558,803**	**172,202**	**2,731,005**
Transactions with owners in their capacity as owners:							
Issue of new shares	12	890,000	-	-	-	-	890,000
Share-based payments		59,873	-	(275,458)	-	-	(215,585)
Other movements in Equity	12	-	-	-	-	-	-
Balance at 30 June 2017		**33,086,776**	**2,605,706**	**1,328,077**	**15,472,795**	**(194,748)**	**52,298,606**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

Consolidated statement of cash flows
For the half year ended 30 June 2017

	Notes	30 June 2017 $	30 June 2016 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and service tax)		16,989,354	13,182,223
Payments to suppliers and employees (inclusive of goods and service tax)		(11,297,962)	(6,838,664)
		5,691,392	6,343,559
Cost associated with acquisition of subsidiary	10.1	(117,105)	(63,648)
Income tax paid		(688,927)	(386,334)
Interest paid		-	(13,958)
Interest received		21,594	191,918
Net cash flows from operating activities		**4,906,954**	**6,071,537**
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	10.1	(13,649,477)	(2,620,528)
Payments for other financial assets	5	(15,884)	(4,051)
Payments for property, plant and equipment	6	(66,942)	(251,796)
Payments for other intangibles	7	(759,947)	(89,972)
Net cash flows from investing activities		**(14,492,250)**	**(2,966,347)**
Cash flows from financing activities			
Payment of Borrowings		-	(1,868,797)
Net cash flows from financing activities		**-**	**(1,868,797)**
Net increase / (decrease) in cash and cash equivalents		**(9,585,296)**	**1,236,393**
Cash and cash equivalents at the beginning of the half year		20,462,205	21,002,933
Cash and cash equivalents at end of the half year		10,876,909	22,239,326

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements
For the half year ended 30 June 2017

1. Basis of preparation of interim report

This interim financial report for the 6-month period ended 30 June 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

The interim financial report has been prepared on a historical cost basis, except for financial assets at fair value through profit or loss which are measured at fair value.

The accounting policies applied by the consolidated entity in this interim financial report are consistent with those applied in the annual report for the year ended 31 December 2016.

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 the 6-month period ended 30 June 2017 and have not yet been applied in the interim financial statements:

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	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. 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. The new standard will result in extended disclosures in the financial statements. The Group has decided not to early adopt AASB 9.	1 January 2018	31 December 2018

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 15 Revenue from Contracts with Customers	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: 1. identify contracts with customers	1 January 2018	31 December 2018

	2. identify the separate performance obligations 3. determine the transaction price of the contract 4. allocate the transaction price to each of the separate performance obligations, and 5. recognise the revenue as each performance obligation is satisfied. 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 and is not expected to have a material impact in the financial statements.		
AASB 16 Leases	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $198,918. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16. Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.	1 January 2019	31 December 2019

2. 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.

3. Financial risk management and financial instruments

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements.

There have been no changes in the risk management department or in any risk management policies since the year end.

3.2 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 is in a net current asset position of $13.9 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.

3.3 Fair value measurement of financial instruments

The Company 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; incluiding 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 were no transfers between levels 1 and 2 or 2 and 3. The Group does not have level 2 and level 3 financial assets or liabilities.

Notes to the consolidated financial statements
For the half year ended 30 June 2017

The following table presents the Group's financial assets at fair value at 30 June 2017 and 31 December 2016:

	Note	30 June 2017 $	31 December 2016 $
Financial assets at fair value through profit or loss			
- Level 1	5	337,328	351,739
- Level 2		-	-
- Level 3		-	-
		337,328	**351,739**

The financial assets at fair value through profit or loss is the value of 98,683 shares of Only Apartments S.A., a Spanish company listed in MAB (Alternative Trade Market in Spain) whose quoted price at 30 June 2017 was $3.42 per share (31 December 2016: €3.56 per share). This financial asset was acquired as part of the Nuroa business combination. These shares are subject to an escrow agreement and cannot be sold in the short term. The amount obtained in the selling of these shares will be used to pay Nuroa vendors, conferring the Nuroa vendors the results of this operation and the changes in price suffered in the shares from the initial valuation, as a result there is recognized a liability of the same amount as "Other liabilities"

4. 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 Spain SL	Spain	100%	Without activity
Nestoria Brasil Buscador de Imoveris Ltda	Brazil	100%	Vertical search website operator
Nestoria India Property Search Services Private Limited	India	99.99% (*)	Vertical search website operator
Dot Property Pte Ltd	Singapore	100%	Property portal network
Dot Property Co Ltd	Thailand	100%	Property portal network
Dot Property Philippines Inc	Philippines	100%	Property portal network
Kleding BV	Netherlands	100%	Vertical search website operator

On the 2nd of March 2017, Mitula Group acquired 100% of the issued share capital of Kleding BV, a company in the Netherlands. The total purchase consideration was approximately $15 million (€10.9 million) and it was primarily funded by cash reserves ($13.7 million) as well as the issue of 1 million new shares in Mitula Group Limited. There is also a further earn out period of 10 months concluding on 31 December 2017 that may result in an additional payment being made if certain revenue and EBITDA targets are met. However, the Group does not expect those targets will be achieved (Note 10.1).

5. Financials Assets

	30 June 2017 $	31 December 2016 $
Investments	1,462	1,462
Lease guarantee	213,088	194,755
Financial assets at fair value through profit or loss	337,328	351,739
	551,878	**547,956**
Financial liabilities at fair value through profit or loss	(337,328)	(351,739)
	(337,328)	**(351,739)**

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

The financial assets at fair value through profit or loss is the value of 98,683 shares of Only Apartments S.A., a Spanish company listed in MAB (Alternative Trade Market in Spain) whose quoted price at 30 June 2017 was $3.42 per share (€2.30 per share). These shares are subject to an escrow agreement and cannot be sold until 2020. The amount obtained in the selling of these shares will be used to pay Nuroa vendors, confronting Nuroa vendors the results of this operation and the changes in price suffered in the shares from the initial valuation, so there is recognized a liability of the same amount as "Other liabilities".

Notes to the consolidated financial statements
For the half year ended 30 June 2017

6. Property, plant and equipment

	Leasehold improvements	Furniture, fittings and equipment	Total
	$	$	$
At 1 January 2016			
Cost or fair value	231,816	1,094,989	1,326,805
Accumulated depreciation	(11,443)	(586,336)	(597,779)
Net book amount	**220,373**	**508,653**	**729,026**
Year ended 31 December 2016			
Opening net book amount	220,373	508,653	729,026
Exchange differences	(4,583)	(9,984)	(14,567)
Acquisition of subsidiary	-	71,371	71,371
Additions	6,553	420,087	426,640
Disposals (net of depreciation)	-	(8,354)	(8,354)
Depreciation charge	(23,621)	(280,918)	(304,539)
Closing net book amount	**198,722**	**700,855**	**899,577**
At 31 December 2016			
Cost or fair value	233,786	1,497,448	1,731,234
Accumulated depreciation	(35,064)	(796,593)	(831,657)
Net book amount	**198,722**	**700,855**	**899,577**
Half Year ended 30 June 2017			
Opening net book amount	198,722	700,855	899,577
Exchange differences	3,005	4,583	7,588
Acquisition of subsidiary	-	9,135	9,135
Additions	-	66,942	66,942
Disposals (net of depreciation)	-	(4,550)	(4,550)
Depreciation charge	(11,449)	(157,066)	(168,515)
Closing net book amount	**190,278**	**619,899**	**810,177**
At 30 June 2017			
Cost or fair value	236,791	1,573,558	1,810,349
Accumulated depreciation	(46,513)	(953,659)	(1,000,172)
Net book amount	**190,278**	**619,899**	**810,177**

As of 30 June 2017, there are assets fully depreciated of $573,287 (31 December 2017: $199,488).

Notes to the consolidated financial statements
For the half year ended 30 June 2017

7. Intangible assets

	Goodwill	Customer relationships	Trademarks and licenses	Software and website development	Total
	$	$	$	$	$
At 1 January 2016					
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	**5,086,057**	**5,511,189**	**1,228**	**171,952**	**10,770,426**
Year ended 31 December 2016					
Opening net book amount	5,086,057	5,511,189	1,228	171,952	10,770,426
Exchange differences	(89,354)	-	-	(24,366)	(113,720)
Acquisition of business	13,955,973	1,082,556	-	952,643	15,991,172
Additions	-	-	-	227,360	227,360
Amortisation charge	-	(1,452,239)	-	(209,161)	(1,661,400)
Closing net book amount	**18,952,676**	**5,141,506**	**1,228**	**1,118,428**	**25,213,838**
At 31 December 2016					
Cost or fair value	18,952,676	7,441,620	1,228	1,361,098	27,756,622
Accumulated amortisation and impairment	-	(2,300,114)	-	(242,670)	(2,542,784)
Net book amount	**18,952,676**	**5,141,506**	**1,228**	**1,118,428**	**25,213,838**
Half Year ended 30 June 2017					
Opening net book amount	18,952,676	5,141,506	1,228	1,118,428	25,213,838
Exchange differences	53,770	(28,695)	-	(19,421)	5,654
Acquisition of business	13,655,750	-	-	69,187	13,724,937
Additions	-	303,415	-	456,532	759,947
Amortisation charge	-	(788,028)	-	(150,567)	(938,595)
Closing net book amount	**32,662,196**	**4,628,198**	**1,228**	**1,474,159**	**38,765,781**
At 30 June 2017					
Cost or fair value	32,662,196	7,716,340	1,228	1,867,396	42,247,161
Accumulated amortisation and impairment	-	(3,088,142)	-	(393,237)	(3,481,380)
Net book amount	**32,662,196**	**4,628,198**	**1,228**	**1,474,159**	**38,765,781**

Software and website development includes capitalised development costs amounting to $456,532 (31 December 2016: $110,473. These development costs are directly attributable to the design and implementation of identifiable and unique software products by the Group, which will generate probable future economic benefits. At 30 June 2017 these assets are classified as work in progress since they are not ready for use. The Group is expecting to amortise these development costs over 2 years.

As of 30 June 2017, there are intangible assets fully amortized of $234,729 (31 December 2016: $0).

Goodwill

Goodwill relates to four separate acquisitions:

	30 June 2017	31 December 2016
	$	$
Goodwill Lokku	5,086,057	5,086,057
Goodwill Nuroa	1,965,910	1,932,674
Goodwill Dot Property Pte Limited	11,954,479	11,933,945
Goodwill Kleding BV	13,655,750	-
Total Goodwill	**32,662,196**	**18,952,676**

The Dot Property Pte Limited and Kleding BV acquisitions occurred within the last 12 months of this report and the acquisition accounting and allocated goodwill remains preliminary.

On finalization of acquisition accounting goodwill is allocated to the Group's three segments: Americas, EMEA and APAC. These segments are also considered to be the Group`s cash generating units ("CGU").

At 30 June 2017, there are no factors that indicate a possible impairment of goodwill's carrying value.

8. 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 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, Venezuela and Panama.
- **APAC** – comprising: Australia, China, Hong Kong, Indonesia, India, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Thailand and Vietnam.
- **EMEA** – comprising: Austria, Belgium, France, Germany, Ireland, Italy, Morocco, Netherlands, Poland, Portugal, Romania, Russia, South Africa, Spain, Switzerland, Turkey, United Kingdom, UAE, Denmark, Sweden, Kenya, Nigeria and Tunisia.

Notes to the consolidated financial statements
For the half year ended 30 June 2017

(b) Segment information provided to senior management

The segment information provided to senior management for the reportable segments for the 6-month period ended 30 June 2017 is as follows:

Consolidated entity 6-month period ended 30 June 2017	**AMERICAS $**	**APAC $**	**EMEA $**	**Total $**
Total revenue	3,481,887	3,836,058	8,395,625	15,713,570
Cost of sales	(346,722)	(735,345)	(2,291,102)	(3,373,169)
Gross profit	**3,135,165**	**3,100,713**	**6,104,523**	**12,340,401**
Gross profit percentage	**90%**	**81%**	**73%**	**79%**

The segment information provided to senior management for the reportable segments for the 6-month period ended 30 June 2016 is as follows:

Consolidated entity 6-month period ended 30 June 2016	**AMERICAS $**	**APAC $**	**EMEA $**	**Total $**
Total revenue	3,486,354	2,776,440	7,323,867	13,586,661
Cost of sales	(155,332)	(393,337)	(1,141,283)	(1,689,952)
Gross profit	**3,331,022**	**2,383,103**	**6,182,584**	**11,896,709**
Gross profit percentage	**96%**	**86%**	**84%**	**88%**

(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.

Notes to the consolidated financial statements
For the half year ended 30 June 2017

9. 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 6 month period ended 30 June 2017 is 30%.

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

	30 June 2017 $	**30 June 2016 $**
Profit from ordinary activities before income tax:		
Continuing operations	3,597,973	5,984,607
Income tax calculated at 30%	1,079,392	1,795,382
Tax effect of amounts that are not deductible/(taxable) in calculating income tax:		
Employee option plan	(47,957)	172,200
Research and development tax credit	-	(72,000)
Other	50,741	(76,637)
Subtotal	**1,082,176**	**1,818,945**
Differences in overseas tax rates	(352,589)	(383,961)
Previously unrecognised tax losses now recouped to reduce current tax expense	(88,126)	(136,657)
Tax losses not brought to account	397,709	-
Total income tax expense	**1,039,170**	**1,298,327**

10. Business combinations

10.1 Current period acquisition - Fashiola

On the 2nd of March 2017, Mitula Group acquired 100% of the issued share capital of Kleding BV, a company in the Netherlands. The total purchase consideration was approximately $15 million (€10.9 million) which was primarily funded by cash reserves ($13.7 million) as well as the issue of 1 million new shares in Mitula Group Limited.

Kleding operates 16 fashion vertical search sites under the Kleding.nl brand in The Netherlands and the Fashiola brand in Denmark, Australia, United Kingdom, Germany, Austria, Sweden, France, Poland, Italy, Switzerland, Brazil, Spain, Portugal and Belgium (French and Dutch sites).
The sites aggregate over 18 million products from 1,000 different online stores across men´s and women´s clothes, shoes and accessories.

Visitors to these sites select an item they are interested in and then click out to the originating online store. These click outs are monetised on a cost per acquisition bases whereby Kleding receives a percentage of the total spend by the user on the destination site during the first 30 days from the click out. The Kleding.nl and Fashiola sites also provide display advertising opportunities for fashion brands to reach their highly targeted and relevant audience.

Profit contribution of Kleding is $458,296 from the date of incorporation into the Mitula Group (4 months starting on March 2017) to 30th June 2017.

a) Purchase consideration

	$
Cash	14,130,856
Issued of new shares	890,000
Total purchase consideration	**15,020,856**

The assets and liabilities acquired are as follows:

	$
Cash and cash equivalents	481,379
Other assets	122,876
Trade and other receivables	959,006
Other intangible assets	69,187
Plant and equipment	8,481
Trade and other payables	(174,958)
Tax liabilities	(73,789)
Other payables	(27,076)
Net assets	1,365,106
Goodwill	13,655,750
Net assets acquired	**15,020,856**

b) Initial accounting

The net asset value has been assessed as at 28 February 2017. The acquisition accounting and associated goodwill remains preliminary and the allocation of the Goodwill will be finalized within 12 months of the acquisition date.

c) Purchase consideration – cash outflow

	$
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	14,130,856
Less cash balance acquired	(481,379)
	13,649,477

10.2 Prior period acquisition – Dot Property

On 2 September 2016, the Group acquired 100% of the issued share capital of Dot Property Private Limited. Dot Property operates 10 property portals across 9 South East Asian countries. Details of this business combination were disclosed in Note 16 of the Group`s annual financial statements for the year ended 31 December 2016. The net asset values and allocation of purchase price to acquired assets remains preliminary and will be finalized within 12 months of the acquisition date.

Notes to the consolidated financial statements
For the half year ended 30 June 2017

11. Reserves

	30 June 2017 $	31 December 2016 $
Share-based payments	1,328,077	1,603,535
	1,328,077	**1,603,535**
Share-based payments		
Opening balance	1,603,535	574,000
Exercised	(59,873)	-
Expense recognized / (derecognized) through the income statement	(215,585)	1,029,535
Closing balance	**1,328,077**	**1,603,535**

During the period, the share-based payment expense has been adjusted to reflect the fact that some performance conditions are not expected to be met.

12. Contributed equity

(a) Share capital

	Notes	Number of shares	30 June 2017 $
Ordinary shares			
Ordinary shares fully paid	12b)	214,233,142	33,086,776

(b) Movements in ordinary share capital

Date	Details	Notes	Number of shares	Issue price $	$
1 January 2015	Opening balance		3,436	1.49	5,121
11 March 2015	Incorporation of Mitula Group		12	1.00	12
24 March 2015	Share split		340,164	-	-
17 April 2015	Capital reorganization		171,456,400	-	(5,121)
1 July 2015	New shares issued		19,360,000	0.75	14,520,000
1 July 2015	New shares convertible notes holders		13,000,000	0.75	9,750,000
1 July 2015	New shares Lokku vendors first option		800,000	0.75	600,000
30 September 2015	New shares Lokku vendors second option		3,777,677	0.98	3,683,235
			208,737,689	-	28,553,247
	Transaction costs on share issue		-	-	(1,323,035)
	Closing balance		**208,737,689**	**-**	**27,230,212**
1 January 2016	Opening balance		208,737,689	-	27,230,212
16 March 2016	New shares Nuroa vendors		81,512	0.97	79,067
2 September 2016	New shares Dot Property vendors		4,349,213	1.11	4,827,624
	Closing balance		**213,168,414**	**-**	**32,136,903**

3 March 2017	New shares Kleding vendors	a)	1,000,000	0.89	890,000
25 May 2017	Issue shares CEO	b)	64,728	0.93	59,873
			214,233,142	**-**	**33,086,776**

a) Pursuant to the terms of the acquisition agreement between the Group and Kleding Vendors. The Kleding Vendors received 1,000,000 shares at price of $0.89 per share on 3 March 2017.

b) On 25 May 2017 the issue of 64,728 new shares was approved by shareholders at the Company`s Annual General Meeting. This represents a share-based payment salary for the CEO.

13. Dividends

The Company is not proposing to pay dividends. There are no dividend or distribution reinvestment plans in operation.

14. 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 Company 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

	30 June 2017		30 June 2016	
	Cents per share		Cents per share	
	Basic	Diluted	Basic	Diluted
From continuing operations attributable to the ordinary equity holders of the company	1.20	1.18	2.24	2.21

(b) Weighted average number of shares used as denominator

	30 June 2017	30 June 2016
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	213,842,471	208,785,238
Weighted average of potential dilutive ordinary shares:		
- options	2,800,000	2,800,000

Weighted average number of shares used as denominator in calculating diluted EPS	216,642,471	211,585,238

15. Contingencies

There are various claims that arise in the ordinary course of business against Mitula and its subsidiaries. The amount of any additional liability (if any) at 30 June 2017 cannot be ascertained and Mitula Limited believes that any resulting liability would not materially affect the position of the Group.

16. Events occurring after the reporting period

No matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in financial years subsequent to the half year ended 30 June 2017.

MITULA GROUP LIMITED AND ITS CONTROLLED ENTITIES

Notes to the consolidated financial statements
For the half year ended 30 June 2017

In the Directors' opinion:

(a) the interim financial statements and notes set out on pages 7 to 25 are in accordance with *Corporations Act 2001*, including:

> (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
> (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the 6-month period ended on that date, and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the Directors.

Simon Baker
Chairman

Dated this 9th August 2017

Independent auditor's review report to the shareholders of Mitula Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mitula Group Limited (the Company), which comprises the consolidated balance sheet as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Mitula Group Limited (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mitula Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mitula Group Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date;

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

Jon Roberts
Partner

Melbourne
9 August 2017