

ASX / Press Release

11 December 2018

Chair's address to Scheme Meeting

Set out in the Annexure to this announcement is a copy of the Chair's address to be given to the attendees of the Mitula Group Limited [ASX: MUA] Scheme Meeting to be held today at 2.00pm at the offices of Herbert Smith Freehills, Level 42, 101 Collins Street, Melbourne, Victoria.

ENDS

ANNEXURE - CHAIR'S ADDRESS

On behalf of the Board of Mitula, I am pleased to talk to you about an important moment in the history of your Company.

Mitula was founded in 2009 by Gonzalo Ortiz, Gonzalo del Pozo and Marcelo Badimon. Over the intervening period they aggressively grew the Company into a leading player in online classifieds with particular strength in vertical search.

The Board always believed that merging Mitula with its main competitor Trovit would create a significant player in the online classifieds industry with a combined business of approximately AUD 100 million in revenues and 200 million visits per month to its network of sites.

When LIFULL approached Mitula with an offer to acquire the Company, the Board immediately saw the upside potential for both businesses with significant revenue and cost synergies on offer. In addition, the scrip offer price of AUD 0.85 per Mitula share represented a significant premium to the Mitula share price in early May.

The Board also believes that the LIFULL share price has upside potential as the combined Mitula/Trovit business will be a material part of the LIFULL business on both an EBITDA and revenue basis.

The Board is also pleased that Gonzalo del Pozo will be the CEO of the combined Mitula/Trovit business.

Finally, I would like to thank my fellow Board members for all their assistance and guidance over the years and throughout this transaction.

SCHEME DETAILS

On 9 May 2018, Mitula announced that it had entered into a Scheme Implementation Deed with LIFULL. Under this deed, LIFULL agreed to acquire of all the shares in Mitula for a combination of cash and scrip consideration.

This Scheme Meeting has been convened by Order of the Supreme Court of Victoria. The notice of today's Scheme Meeting was included as Annexure E of the Scheme Booklet dated 26 October 2018. Shareholders were notified by the Supplementary Scheme Booklet dated 26 November 2018 and by various Australian Securities Exchange releases of an additional downside protection for the scrip consideration which might apply in certain circumstances.

Mitula Shareholders will have received a Scheme Booklet and a Supplementary Scheme Booklet which includes:

- details of the Scheme;
- the key considerations relevant to your vote;
- frequently asked questions and answers;
- information about LIFULL; and
- information in relation to the Cash Top Up Mechanism.

Your Directors appointed BDO Corporate Finance as the Independent Expert to assess the merits of the Scheme. A copy of the Independent Expert's Report was included in the Scheme Booklet. The Independent Expert has concluded that the Scheme is fair and

reasonable and, therefore, is in the best interests of Mitula shareholders, in the absence of a superior proposal. The Independent Expert has estimated the fair market value of a Mitula share, on a controlling interest basis, to be between \$0.585 and \$0.65 per share. The cash consideration of \$0.80 per share is above that range..

Your Directors have unanimously recommended that Mitula shareholders vote in favour of the resolution at today's meeting. That resolution is to agree to the Scheme as described in the Scheme Booklet and attached as Annexure C to that booklet. That form of the Scheme does not include the Cash Top Up Mechanism described in the Supplementary Scheme Booklet, which was agreed with LIFULL after the Scheme Booklet had been sent to you. However, if the resolution to agree to the Scheme is passed, Mitula will seek the Court's approval of the Scheme as amended to include the Cash Top Up Mechanism. As I will explain shortly however, the Cash Top Up will not be applicable, given the recent trading price of LIFULL shares.

If the Scheme is approved by shareholders at today's meeting, the timetable to implement the Scheme would be as follows:

- 10.30am on 13 December – the Second Court Date for approval of the Scheme;
- 13 December – the Effective Date of the Scheme and last trading day in Mitula shares;
- 18 December – the Record Date for shareholders to receive the Scheme Consideration; and
- 8 January – the Implementation Date and provision of Scheme Consideration.

As previously announced on the ASX on 20 November 2018, Mitula entered into a Second Amending Deed to the Scheme Implementation Deed with LIFULL. Pursuant to the amendments in that deed, if the implied value of the scrip consideration for the 10 trading day period ending on 7 December 2018 was less than \$0.80 per share on a volume weighted average price basis, the Cash Top Up Amount would be payable.

However, as announced on the ASX on Friday, 7 December 2018, the implied value of the scrip consideration for that period was not less than \$0.80 per Mitula share. Accordingly, I would like to advise shareholders that, as set out in that announcement, the Cash Top Up Mechanism provided for in the Second Amending Deed to the Scheme Implementation Deed will not be applicable.