

**ASX/Media Release**  
**5 September 2016**

## **The Mitula Group Acquires DotProperty – the SE Asian Property Portal Network**

### Highlights:

- Mitula Group acquires South East Asian property portal network DotProperty;
- Acquired for A\$11 million in a combination of cash and Mitula Group shares;
- DotProperty operates 10 property portals across nine highly attractive South East Asian countries;
- The strategic acquisition of DotProperty will increase the Mitula Group's monetisation of property based visits in some of its Tier 2 markets;
- The Mitula Group has an experienced team with a strong track record of successfully growing property portals in established and emerging markets;
- DotProperty had A\$1.7 million in revenues for the 12 months to 30 June 2016 with a year on year growth rate of 123%; and
- DotProperty's CEO Ben Neve will join Mitula Group as General Manager of SE Asian Property Portal Operations.

The Mitula Group Limited ("**Mitula Group**" or "**Company**") (ASX:MUA), a leading digital classifieds group, has acquired Singapore-based DotProperty Pte Ltd ("**DotProperty**") to provide the Company with property portals in some of its Tier 2 South East Asian markets and therefore to significantly enhance the monetisation of visits in these markets.

The consideration, as a part of the acquisition, is A\$11 million consisting of A\$4.3 million in cash and 6.7 million Mitula Group Limited shares with at an implied issue price of \$1.00 per share. All share based consideration will be subject to voluntary escrow arrangements and, furthermore, 40% of the share based consideration provided to the management sellers will be deferred and issued in 2 further tranches over a 2-year period.

DotProperty operates 10 property portals across nine SE Asian countries. DotProperty's Head Office and main portals are located in Thailand, however it also operates sites in the Philippines, Vietnam, Indonesia, Cambodia, Laos, Myanmar, Singapore and Malaysia.

DotProperty operates in highly attractive markets with a combined population of over 600 million<sup>1</sup> and an internet penetration of 33% growing at 4.7% per annum<sup>2</sup>. These markets have high volumes of property transactions with only a small, but growing, percentage of property advertising spend being online.

The Mitula Group segments its operating markets into three tiers with Tier 2 markets being characterised as having high levels of visitation but low levels of monetisation. In the June

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<sup>1</sup> Source: CIA World Factbook

<sup>2</sup> Source: [www.internetlivestats.com](http://www.internetlivestats.com)

Quarter<sup>3</sup>, the Company generated 123 million visits to its sites in Tier 2 markets yet only yielded an average of 2.4 cents per visit<sup>4</sup>. By comparison, DotProperty yielded approximately 22 cents per visit<sup>5</sup> for the same period. Through the acquisition, the Mitula Group expects to increase its property based revenue from selected Tier 2 markets.

Directors and Senior Management of the Mitula Group have significant experience in successfully operating property portals in both established and emerging markets. Simon Baker, the Chairman of the Mitula Group, is the former CEO and Managing Director of the REA Group as well as the former Chairman of the iProperty Group. Sol Wise, a Director of the Mitula Group, is the former Financial Controller of the REA Group, while Gonzalo del Pozo and Gonzalo Ortiz, respectively CEO and Director of the Mitula Group, founded the Spanish property portal Globaliza.

**Gonzalo del Pozo, CEO of the Mitula Group, commented:** “We are very excited with the acquisition of DotProperty. The acquisition immediately provides us with property portals in select Tier 2 markets and a channel by which we can enhance the monetisation of our South East Asian visitors.

“We are also excited to welcome Ben Neve and his team to the Mitula Group. They bring significant in-market experience and on the ground skills to help us serve local real estate agents and developers across the South East Asian region.”

**Ben Neve, CEO of DotProperty commented:** “Joining the Mitula Group will help rapidly accelerate our growth. Our portals will have better access the Mitula Group sites and this will help us to provide real estate agents and developers with high quality leads.”

DotProperty will operate as a separate division within the Mitula Group with Ben Neve taking on the role as General Manager of SE Asian Property Portal Operations reporting to the CEO of the Mitula Group.

## Mitula Group Strategy

As identified in the Company’s March Quarter update, the Mitula Group has segmented its operating markets into three tiers and is customising its approach for each one.

- **Tier 1** segments are established markets in which the Mitula Group provides its advertisers (cars, jobs and property portals and general classifieds sites) with traffic. The Mitula Group monetises these markets primarily through cost-per-click (“CPC”) and AdSense revenues;
- **Tier 2** segments are emerging markets in which the Mitula Group generates high levels of traffic but delivers low levels of monetisation; and
- **Tier 3** segments are early stage markets in which the Mitula Group is building traffic and content. Monetisation in these markets is low.

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<sup>3</sup> Three months ending June 2016

<sup>4</sup> Source: Internal management reports

<sup>5</sup> Source: DotProperty unaudited management accounts

3 Months to 30 June 2016	Visits <sup>6</sup> (m)	Total Revenue (A\$ m)	Yield / Visit (A\$ cents)
Tier 1 – Established Markets	57.3	3.9	6.7
Tier 2 – Emerging Markets	121.6	2.9	2.4
Tier 3 – Early Stage Markets	11.0	0.3	2.6

To improve its yield per visit in the Tier 2 markets, the Mitula Group is implementing a range of initiatives in addition to the traditional AdSense and CPC products. One of these initiatives is the launch of portals in selected Tier 2 markets.

The acquisition of the DotProperty portals will better allow the Mitula Group to increase its yield per visit in Tier 2 markets particularly from real estate agents and developers.

Other property portals and general classifieds sites will continue to advertise their listings on the Mitula Group vertical search sites and capture the clicks from those listings.

### About DotProperty

DotProperty was founded in 2012 and operates 10 property portals across nine SE Asian countries. DotProperty's Head Office and main portals are located in Thailand, however it also operates sites in the Philippines, Vietnam, Indonesia, Cambodia, Laos, Myanmar, Singapore and Malaysia.

In August 2016, DotProperty sites had in total:

KPI	August 2016
Agents (Paying / Trial)	20,207
Developers	1,278
Listings	568,821
Visits	825,043
Page Views	2,690,009

For the 12-months to end June 2016, DotProperty generated approximately A\$1.7 million<sup>7</sup> in revenues at an annual growth rate of 123% over the previous corresponding period, albeit from a low base.

DotProperty currently has an annual revenue run rate based on the last two months of A\$2.6 million<sup>8</sup> and is forecast to be breakeven on an EBITDA basis by December 2016.

<sup>6</sup> The Mitula Group has reclassified some Tier 1 markets as Tier 2 markets thus changing the distribution of visits between the tiers.

<sup>7</sup> Source: DotProperty unaudited management accounts

<sup>8</sup> Based on DotProperty revenues for July and August 2016 x 6

## About Mitula Group

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

- It operates 79 vertical search sites across property, employment and motoring in 49 different countries and 19 different languages. These sites operate under the Mitula, Nestoria and Nuroa brands.
- It operates 10 property portals in nine 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 classified vertical search and portal sites.

The Mitula Group monetises visits to these sites through a range of products and services including Google AdSense, cost-per-click ("CPC") sales, display advertising and listing sales.

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

The Company listed on the Australian Securities Exchange on 1 July 2015 and trades under the ticker code MUA.

## Further Information

Gonzalo del Pozo  
CEO  
[gonzalo@mitulagroup.com](mailto:gonzalo@mitulagroup.com)

Simon Baker  
Chairman  
[simon@mitulagroup.com](mailto:simon@mitulagroup.com)